



Daily Report

Latin America

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Tuesday
9 March 1993

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CONTENTS

9 March 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Menem, Fernandez Discuss 'Matters of Bilateral Interest' [Havana TV]	1
Castro Meets With Zimbabwe Home Affairs Minister [Havana Radio]	1
Greek Municipality Signs Letter of Intent [Havana Radio]	1
Perez Novoa Supports Proposal on Children's Rights [Havana Radio]	1

Antigua

Finance Minister Presents 'Tax-Free Budget' [CANA]	1
--	---

Barbados

Sandiford Signs Loans of \$70 Million With IDB [CANA]	2
---	---

Cayman Islands

Cuban Refugees Refuse Offer From Dominican Republic [CANA]	2
--	---

Haiti

Antidrug Service Seizes Heroin Despite 'Budget' Cuts [Port-au-Prince Radio]	3
Peasants Flee as Section Chief Spreads Fear in Artibonite [Port-au-Prince Radio]	3
Symposium on Solidarity of Black People Closes 5 Mar [Port-au-Prince Radio]	3
Metropole Notes Radio Station Closure in Les Cayes [Port-au-Prince Radio]	4

Jamaica

PM To Announce Election Date; PNP Launches Campaign [CANA]	4
--	---

St. Christopher and Nevis

Ruling Party Expresses Confidence in Simmonds [CANA]	5
--	---

Trinidad and Tobago

Canadian High Commission Announces Reduction in Staff [CANA]	5
Yard Finds Police Demonstrators, Not Drug Dealers [CANA]	6

CENTRAL AMERICA

Costa Rica

Unidentified Men Hold Nicaraguan Ambassador Hostage [San Jose Radio]	7
Further on Hostage Situation at Nicaraguan Embassy [San Jose Radio]	7

El Salvador

FRS Opposes Holding Back Truth Commission Report [San Salvador TV]	7
Communist Party Holds Eighth Congress [San Salvador Radio]	8

Guatemala

Labor Leader on Endorsement of U.S. Preference System	[SIGLO VEINTIUNO 7 Mar]	9
Associations Accuse Bank of Indifference in Credit Issue	[SIGLO VEINTIUNO 6 Mar]	9

Honduras

Relatives of Missing Detainees Demand Discua's Removal	[TIEMPO 6 Mar]	9
--	----------------	---

Nicaragua

Finance Minister Admits 'Intensified' Recession	[Managua Radio]	10
UNO Requests OAS Commission Verify Local Situation	[LA PRENSA 6 Mar]	10

SOUTH AMERICA

Argentina

Menem Says No Funds for Military Wage Increase	[CLARIN 4 Mar]	12
Military Civilian Personnel Announce 'Battle Plan'	[TELAM]	12
Condor-2 Missile Parts Said Destined for U.S.	[CLARIN 3 Mar]	13
Defense Minister Denies Missile Existence	[TELAM]	13
Di Tella: No Missile Parts in Country	[NOTICIAS ARGENTINAS]	14
Air Force Chief, U.S. Envoy View Issue	[LA PRENSA 6 Mar]	15
Menem, Cuban Council of Ministers Vice President Meet	[Buenos Aires Radio]	16

Brazil

'Crestfallen' President Said To Mention Resigning	[FOLHA DE SAO PAULO 7 Mar]	16
Franco Accused of Adopting 'Imperialistic' Stance	[O GLOBO 6 Mar]	16
Franco Decides Against Talks With Politicians, Businessmen		
	[O ESTADO DE SAO PAULO 5 Mar]	17
Senator To Ask President To Dismiss 'Juiz de Fora Group'	[O GLOBO 4 Mar]	17
France Freezes Credit Line, Cites 'Concern' Over Changes		
	[O ESTADO DE SAO PAULO 6 Mar]	18
Proposal to Suspend Methanol Use Submitted to Fuel Department	[Brasilia Radio]	18

Chile

Bolivia's Paz Discusses Commercial Accord	[Santiago TV]	18
Army Communique Refutes Criticisms of Pinochet	[Santiago Radio]	19

Colombia

Prosecutor General Rejects Planned Escobar Surrender	[Santa Fe de Bogota TV]	19
Rejects Escobar's Conditions	[Santa Fe de Bogota TV]	19
Escobar's Son Linked to Murder of Police Captain	[Santa Fe de Bogota TV]	20
* Pepes Attacks Said Pressuring Escobar, Family	[SEMANA 23 Feb]	20
* De Greiff Explains Revised Surrender Policy	[EL ESPECTADOR 6 Feb]	21
* 'Apertura' Results Evaluated After 3 Years * Poll: Benefits to Industry		
	[EL ESPECTADOR 21 Feb]	23
* Shortcomings Noted	[EL ESPECTADOR 21 Feb]	24
Shootout Outside U.S. Embassy Leaves One Dead	[Santa Fe de Bogota TV]	25
* Rise in Exports, Foreign Investment Expected	[EL TIEMPO 9 Feb]	26

Ecuador

Military Launch Operation Against Organized Crime	[Quito Radio]	27
Armed Forces Dismantle Narcoterrorist Band	[Quito Radio]	27

Paraguay

Wasmosy, Seifart Register as Official Colorado Candidates [HOY 6 Mar]	27
Argana Disavows Attorneys [HOY 6 Mar]	27
Candidate Fears 'Dangerous Precedent' in Crisis Resolution [HOY 6 Mar]	28
Rodriguez Rules Out Protest Vote by Argana Followers [HOY 6 Mar]	28
National Encounter Alliance Registers for 9 May Elections [HOY 6 Mar]	28

Uruguay

PRC's Qian Qichen Begins Official Two-Day Visit [Montevideo Radio]	28
Qian Qichen Meets President Lacalle [Montevideo Radio]	28

Cuba

Menem, Fernandez Discuss 'Matters of Bilateral Interest'

FL0903004093 Havana Cuba Vision Network in Spanish 2320 GMT 8 Mar 93

[Text] Today, Argentine President Carlos Menem talked with Jose Ramon Fernandez, vice president of the Cuban Council of Ministers, about the next Pan-American Games, the olympic movement, and other matters of bilateral interest.

Fernandez, who is attending the Pan-American Sports Organization conference, commented that Menem expressed appreciation for Cuba's collaboration in the area of sports.

Fernandez explained to Menem the successful result of the recently concluded electoral process, after which the Argentine president asked Fernandez to convey his congratulations to President Fidel Castro.

Castro Meets With Zimbabwe Home Affairs Minister

FL0603192593 Havana Radio Progreso Network in Spanish 1100 GMT 6 Mar 93

[Text] Commander in Chief Fidel Castro met with Zimbabwean Minister of Home Affairs Dumiso Dabengwa with whom he held a friendly meeting. During their meeting, they spoke of issues relating to current international events, the day-to-day affairs of the two countries, and the interesting aspects of the fraternal and friendly ties that unite Cuba and Zimbabwe.

Greek Municipality Signs Letter of Intent

FL0803143893 Havana Radio Progreso Network in Spanish 1200 GMT 8 Mar 93

[Excerpts] A delegation from Piraeus Municipality, Greece, has concluded a seven-day visit to Cuba invited by the Cuban Friendship with the People's Institutes [ICAP] and the Havana City Provincial Assembly of the People's Government. Piraeus Mayor (Estelio Sulago Feti) heads the delegation from the third most important city in Greece and the fourth most important port in all of the Mediterranean. In addition to being the mayor of Piraeus, (Estelio Sulago Feti) is vice president of the Cuban-Greek Friendship Association. [passage omitted]

Just before leaving for Athens, Greece, the delegation from the Greek municipality of Piraeus signed at the Cuban Chamber of Commerce a letter of intent, which specifies trade proposals in the areas of biotechnology, medical instruments, the sugar industry, including sugar by-products, and diverse raw materials.

Perez Novoa Supports Proposal on Children's Rights

FL0903022493 Havana Radio Rebelde Network in Spanish 0000 GMT 9 Mar 93

[Text] Today, in Geneva, Cuba supported the proposal presented by the children's human rights special rapporteur of imposing sanctions on anyone that participates in the trafficking of children for commercial purposes, prostitution, pornography, or organ transplants. Jose Perez Novoa, Cuban ambassador to the 49th annual session of the UN Human Rights Commission, asked: What human rights are we trying to preserve and for whom are we trying to guarantee a future where men and women can completely and fully enjoy all of their rights if our children are today being submitted to the most degrading and inhumane practices.

In an impressive speech, the head of the Cuban delegation said that no one can deny that the majority of children for adoption or for use in such repulsive practices come from the south, where the masses of illiterates, beggars, and undernourished are located.

Lastly, Perez Novoa emphasized that Cuba does not face these monstrous practices as a social phenomena due to the deep political, economic, and social transformations that have been undertaken since the triumph of the Revolution, which has allowed Cuba to edify a society where children fully enjoy all their rights.

Antigua

Finance Minister Presents 'Tax-Free Budget'

FL0803235693 Bridgetown CANA in English 2145 GMT 8 Mar 93

[Article by Colin James]

[Text] St. John's, Antigua, March 8, CANA—Antigua and Barbuda's Finance Minister Molwyn Joseph on Monday [8 March] presented a tax-free budget of EC 577 million dollars (1 EC dollar = 37 cents U.S.) for the 1993 fiscal year. In an address to Parliament, he said recurrent expenditure was estimated at 288.9 million dollars and recurrent revenue at 289.9 million dollars. The minister gave no estimates of proposed capital spending but said the budget envisaged a total expenditure of 577 million dollars.

Joseph said he was urging the government to adopt a programme of fiscal reforms. In this regard, he proposed the following measures: expenditure control, improved revenue collection, external debt management, proper evaluation of projects, improved public sector efficiency, price controls on basic foods and commodities, tax reform, and good governance. He also announced plans to introduce a policy of curtailing new recruitment of government staff and to reduce the size of the civil service through attrition over time.

"We intend to dispose of all government-owned hotels, reschedule all (debt) arrears, and refrain from further borrowing on commercial terms until the debt servicing capacity has considerably improved," Joseph also told Parliament.

The largest slice of the budget goes to the Ministry of Education, which is allocated 37.1 million dollars or 12.8 per cent of the total recurrent expenditure. Joseph said the Antigua Labour Party government has "always recognised the critical role that education plays in the development process" of the country.

"That is why government has consistently enunciated a policy to provide quality education services for all young people... within the limits of available resources," he said.

Joseph said the Antigua and Barbuda economy is expected to grow by 2.5 per cent in 1993. Parliamentary debate on the budget begins on March 15.

Barbados

Sandiford Signs Loans of \$70 Million With IDB

FL0903001893 Bridgetown CANA in English 2155
GMT 8 Mar 93

[Article by Colin King]

[Text] Bridgetown, Barbados, March 8, CANA—Barbados, which Monday [8 March] signed for loans of U.S. 70 million dollars from the Inter-American Development Bank (IDB), is in line for another 80 million dollars in assistance from the bank this year, IDB President Enrique Iglesias said.

"We are preparing a series of programmes in the coming months. We are working on investment sector lending, we are working on the tax administration and public expenditure management programme.... We hope to put in place a Bridgetown roads and safety improvement (project)," he told a press conference Monday.

The bank president said that in 1994 further programmes for Barbados would again address social and economic infrastructure, including solid waste management, health sector rationalisation, and coastal conservation and management.

The loan agreements signed Monday by Iglesias and Barbados Prime Minister Erskine Sandiford include 51.2 million dollars for a tourism belt sewage programme to stem coastal contamination and deterioration of reefs; upgrading of the Bridgetown sewerage system; and technical assistance to the Barbados Water Authority. The rest of the funds will be used to consolidate and improve a number of primary schools, and for institutional strengthening of the Finance Ministry and other government departments.

Barbados is winding up an 18-month stabilisation programme backed by the International Monetary Fund (IMF) and is to embark on structural adjustment measures with the aim of stimulating the productive sectors after three consecutive years of economic contraction.

According to Iglesias, the island has run a successful stabilisation programme, but needs to carry on to improve the productive sectors. He said the IDB would give financial assistance once the Barbados Government devises a "comprehensive" structural reform programme, and expressed confidence that such a programme would be achieved. He attributed delays in the processing of Barbados' applications for structural adjustment assistance so far to the relative newness to the bank of this type of lending, which was started in 1991.

Cayman Islands

Cuban Refugees Refuse Offer From Dominican Republic

FL0803183893 Bridgetown CANA in English 1628
GMT 8 Mar 93

[Text] George Town, Grand Cayman, Cayman Islands, March 8, CANA—Most of the Cuban refugees currently in the Cayman Islands have no intention of leaving this British territory for the Dominican Republic, according to an unofficial spokesperson for some of the 103 Cubans currently living in a government civic centre here.

Jorge Perez said he did not know of any of the 103 who were ready to accept an offer by the Dominican Republic Government and a Miami-based Cuban exile group known as the National Democratic Unity Party, to take up temporary asylum in the Dominican Republic.

"Not without knowing a lot more about the offer, what we will be doing in the Dominican Republic, and how long we will be there before U.S. visas are issued," said Perez, who is one of the few Cubans among the 103 who speaks English. The Cuban refugees hope to take up residence in the United States.

A random survey of about 50 of the Cubans here found none were ready to take up the offer to go the Dominican Republic on a temporary visa, despite an announcement over the weekend from the Santo Domingo Government that 102 visas had been issued and the airlift would begin today, Monday [8 March].

Cayman Islands Chief Secretary Lem Hurlston said Monday nothing has been agreed upon with National Democratic Unity Party officials or the Dominican Republic. In fact, said Hurlston, he has not even had a meeting or official proposal from anyone on the transfer of refugees from the Cayman Islands to the Dominican Republic. He was unaware of any planned airlift set for Monday afternoon.

While he and Health and Social Services Minister McKeeva Bush were to meet with unity party officials later Monday, Hurlston said he could give no indication of what the results of that meeting might be. He reiterated, however, that no refugees are going to be forced to leave the Cayman Islands and none are going to the Dominican Republic "if they do not want to leave."

On Friday, March 5, Miriam Aguiar of the National Democratic Unity Party said all 103 Cubans currently staying at the Bodden Town Civic Centre and 21 of 24 Cubans being housed in government quarters wanted to leave for the Dominican Republic. Perez, however, said most of the Cubans here want to know a lot more about the National Democratic Unity Party before agreeing to any airlift to another country. They also said they are [word indistinct] to hear from United Nations Representative Scott Busby, who is in the Cayman Islands studying the entire refugee situation for the UN. Busby reportedly is looking into the National Democratic Unity Party and the offer to transfer the Cubans to the Dominican Republic.

Haiti

Antidrug Service Seizes Heroin Despite 'Budget' Cuts

FL0803173893 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 8 Mar 93

[Text] The antidrug service in Haiti seized 800 grams of heroin from Thailand on 4 March. The bag containing the drug was mailed from Thailand. The head of the Information and Joint Coordination Center, Colonel Antoine Atouriste; and Lieutenant Colonel Derby Guerrier, commander of the antidrug brigade, stated that the 800 grams of heroin has a street value of about \$2.5 million.

Col. Atouriste pointed out that despite that fact that the antidrug service's budget has been cut by 70 percent since Haitian assets abroad were frozen on 30 September 1991, they have still managed to work in their struggle against drugs. Atouriste explained, however, that the exchange of international information has now been resumed.

Peasants Flee as Section Chief Spreads Fear in Artibonite

FL0803224993 Port-au-Prince Radio Metropole in French 1700 GMT 8 Mar 93

[Report by correspondent Leonor Exantus in Saint-Marc—recorded in Creole]

[Excerpt] Repression and arbitrary arrests continue in the lower part of Artibonite. Peasants in Laraq, which is a locality in the second section of Dessalines, continue to leave their homes because of a thug named (Sans Peche) Joseph. He left the area four years ago, but returned after the coup to spread terror. During the evening of 3 March or the early hours of 4 March, he was

found lying in his own blood in a field in the area. Once on the scene, the section chief of the area, Chrisner Adrien, began terrifying the region. Adults and children ran away. Those whom he found were arrested, tied up, and forced to give him money. He accuses the area people of having committed the act. [passage omitted]

Symposium on Solidarity of Black People Closes 5 Mar

FL0803220793 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 8 Mar 93

[Excerpts] On 5 March, 200 Haitian participants and approximately 60 participants from 24 countries closed the symposium they were holding on the solidarity of black people. This symposium, which began on 3 March, was closed at the National Palace. Let us listen to a report by Franckel Valentin.

[Begin recording] [Valentin] The international symposium was closed on 5 March at the National Palace in the presence of Prime Minister Marc Bazin, several government ministers, the participants, and several guests. At the closing ceremony, the honorary president of the symposium, Dr. Pradel Pompilus, explained that the participants had several points to look into and discuss together. Dr. Pompilus stated that we do not want to be considered backward people because of a right of civilization or a right of interference. [sentence as heard] [passage omitted]

For his part, the president of the symposium, Mr. (Frederic Titinga Pasere), expressed in his own way what is happening in the world at this time. He showed the differences existing between the treatment given to white countries and the treatment given to black countries. [passage omitted] Mr. (Pasere) criticized the right to interference. Instead, he demanded the right to acknowledgement. He presented the African beliefs while showing the importance of word democracy. [passage omitted]

Prime Minister Marc Bazin, who spoke at the closing ceremony of the symposium, announced that he would soon open an office in Port-au-Prince that would explore solidarity among black people for their advancement. By the way, Bazin said the crisis will never have a lasting solution through a schema, an international dressing, especially with interference stamped with bias.

[Bazin, in French] Hence, [words indistinct] that the current crisis will not find a lasting solution in the absurd and restricted paths on the basis of simple institutional dressings and even less—works have proved so—through partisan and simplifying interference of elements coming from outside. What we, Haitians, must have to go to democracy is a genuine national willingness of reconciliation on the basis of consensus for a transition that is not imposed, not exclusively controlled by only one group, and not granted, but a jointly managed transition that puts the common good above private interests and personal ambitions. [With] such a national

reconciliation, our neighbors, our friends have the facility... [changes thought] We are ready to accept their mediation, provided that they are sincere and willing to take the time to learn and understand, and that they help us create a climate of conciliation and not contribute to adding fuel to the flames.

[Valentin] This symposium lasted three days from 3 to 5 March with the participation of 58 foreigners and over 200 Haitian intellectuals under the banner of Haiti Solidarite International [as heard] and the Haitian Institute of African Studies and Research. [end recording]

Metropole Notes Radio Station Closure in Les Cayes
FL0803213193 Port-au-Prince Radio Metropole in French 1145 GMT 8 Mar 93

[Report by unidentified correspondent—recorded in Creole]

[Excerpt] In the news today is the closure of a radio station broadcasting in the south of the country that was relaying Radio Tropical, which is a radio station broadcasting from the United States. According to our correspondent, Radio Tele Diffusion Cayenne has been closed for not having a permit authorizing its functioning. The owners of the station have been asked to conform before resuming programming.

[Correspondent] A radio and television station in Les Cayes has been closed. According to the director of Radio Tele Diffusion de la Metropole du Sud, RTMS, Ralph Teddy Constant, the station stopped all broadcasts on 5 March because a delegation formed of the South delegate, a justice of peace, a clerk, and several policemen asked him to shut down the radio because he did not have a permit to broadcast. The director termed this decision a pretext and advised that the decision was based on the fact that Radio Tropical, which broadcasts in New York, was relayed by RTMS. We have more explanations from Director Ralph Teddy Constant.

[Constant] [Words indistinct] then they asked me to show them my permit because the Ministry of Interior had been notified that I was stirring the population. I learned that it is because I relay Radio Tropical.

[Correspondent] Questioned on this matter, the South delegate, (Jean-Melio) Saint Cyr rejected the rumor that the radio is closed for political reasons and declared that the measure was purely administrative.

[Delegate Saint Cyr] It is not an arbitrary decision that we took. You know that there has been a law since 1977 regarding communications, which says that a permit is needed for the media to broadcast. We went and asked the director for his permit. He did not have it. We, therefore, asked him to stop broadcasting until he filled out the legal requirements to resume broadcasting.

[Correspondent] The delegate asked the population to remain calm. He advised the director to take the necessary steps to obtain the permit to resume broadcasting. It should be pointed out that RTMS has broadcasted on 97.3 FM since 1 February 1992. It is the only radio broadcasting 24-hours a day. [passage omitted]

Jamaica

PM To Announce Election Date; PNP Launches Campaign

FL0903002593 Bridgetown CANA in English 2241 GMT 8 Mar 93

[Article by Garfield Myers]

[Text] Kingston, Jamaica, March 8, CANA—The ruling People's National Party (PNP) has launched its election campaign here pledging to concentrate on those issues which will most concern Jamaicans with the "onset of the 21st century." At a press briefing here, party executives also repeated that every effort would be made to maintain peace during the general election, the date of which many expect Prime Minister P.J. Patterson to announce late Tuesday [9 March] night at a mass meeting in Kingston.

Party General Secretary Dr. Peter Phillips again rejected accusations by opposition leader Edward Seaga that the PNP government was guilty of widespread corruption and had been hamstrung by a string of scandals since it took power in 1989.

"We have nothing to be defensive about," said Phillips, pointing to controversies which dogged the Seaga administration during the 1980's. These included the defrauding of the North American Farmwork Programme, for which a former Labour Minister J.A.G. Smith was sent to jail.

Phillips claimed that Jamaicans were far more concerned about "the kind of leadership that is able to take this country into the 21st century and the kind of economic and social model that will allow the country to progress.... Those are the issues that are of concern and those are the issues that we will be concentrating on."

Phillips said "leadership qualities—who is able to blend together all sectors—and the commitment to democracy" would be vital elements in the campaign. It was clear indication of the PNP's commitment to exploit the personal popularity of Patterson and his reputation for a consensual approach to leadership as against opposition leader Seaga, whose popularity rating according to the latest opinion poll is very low and who has been accused of being autocratic.

The emphasis on democracy was an apparent reference to the upheavals within the JLP [Jamaican Labor Party] over the last three years, following efforts by some members of the hierarchy to challenge Seaga's leadership style. Matters came to a head at the JLP's annual

conference last year when supporters of dissident Parnell Charles were allegedly prevented from voting for him in a race for a deputy leadership position. Several of Charles' supporters were reportedly physically abused by party workers.

While the JLP hierarchy has since welcomed Charles and fellow dissident members of Parliament Edmund Bartlett, Douglas Vaz, and Errol Anderson back to the fold, and all four are on the slate of candidates for the [word indistinct] elections, a recent poll showed most people still felt the party lacked unity.

The PNP for its part overcame the internal struggle for leadership following last year's retirement of the dominant Michael Manley, with relative comfort. Portia Simpson, who challenged Patterson for the leadership, retained her cabinet post following the succession and from outward appearances at least, the party has since shown no signs of disunity.

"We believe that our party has a creditable record of commitment to democracy, of consultation with all sectors of the society, we practice democracy within our party and practice it in the country as a whole....," said Phillips.

The PNP executive denied suggestions here that it may seek to exploit the questions of skin colour and race in the elections. Patterson is black, while Seaga is of Lebanese descent, in a society where the great majority of the population is of African descent.

"That is not our style.... We will not be exploiting skin colour, race, or anything like that.... The party is part of a country in which all races and colours are represented....," said Phillips.

Phillips said the two major parties were now close to signing an updated version of a 1989 Code of Conduct which was largely credited for the relative peace of the election campaign then. The parties were also agreed on structured debates between the leaders and candidates prior to the election, he said.

The PNP will introduce its 60 candidates to its supporters at Tuesday night's mass meeting. Another major rally is also scheduled for the north coast tourist city of Montego Bay on Saturday.

St. Christopher and Nevis

Ruling Party Expresses Confidence in Simmonds

FL0903021293 Bridgetown CANA in English 2248
GMT 8 Mar 93

[Text] Basseterre, St. Kitts, March 8, CANA—The ruling People's Action Movement (PAM) on Sunday [7 March] unanimously approved a resolution expressing confidence in Prime Minister Dr. Kennedy Simmonds' leadership of both the party and the Government of St.

Kitts-Nevis. Delegates to the ruling party's annual conference returned Simmonds unopposed as PAM president and political leader amidst preparations for general elections which some observers said may be called later this year.

[Words indistinct] Michael Powell who was removed as deputy prime minister last year and subsequently suspended from the executive. Unconfirmed reports indicate that Powell is to be expelled from the party in keeping with a resolution passed at a party caucus ahead of the annual conference. [Word indistinct] Powell who has been omitted from PAM's list of election candidates, said he intends contesting the next general election as an independent.

In his feature address, Simmonds urged the party faithful not to become complacent lest they lose the many gains achieved since the party came to power here in 1980. He listed among them the abolition of personal income tax, introduction of a school meals programme, protection of employment legislation, and a national insurance scheme for public servants.

He described the convention as a very special occasion because it is taking place in the year the country celebrates its 10th anniversary of independence from Britain.

"We can stand tall and take our rightful place in the international community of nations (for) small as we are, our voice must be heard," he stated.

The guest speaker, St. Lucia's Prime Minister John Compton, urged delegates attending the convention to hold on to what they have. He suggested this could only be achieved through confidence in the leadership. Compton said PAM had transformed the physical, social, economic, and political lives of the people of St. Kitts and Nevis.

He said everytime he visits, he is amazed at the physical transformation he sees all around. He noted this took careful planning and efficient execution, but even more importantly the confidence of other governments and international financial institutions.

Trinidad and Tobago

Canadian High Commission Announces Reduction in Staff

FL0803195793 Bridgetown CANA in English 1719
GMT 8 Mar 93

[Text] Port of Spain, Trinidad, March 8, CANA—The Canadian High Commission in Trinidad has sent home 10 workers from its commercial section as it seeks to cut costs. Canadian High Commissioner Dilys Buckley-Jones, told the CARIBBEAN NEWS AGENCY that various departments of the Canadian Government were cutting their deficits and expenditures and the cuts to overseas missions were also included.

The workers who were laid-off include seven Trinidadians and three Canadians. Buckley-Jones said the decrease in expenditure was also going to "cut in half" the fund allocated for self-help projects in the country. Last year the United States Embassy pruned its trade office to one person.

Yard Finds Police Demonstrators, Not Drug Dealers

FL0803184493 Bridgetown CANA in English 1702 GMT 8 Mar 93

[Article by Linda Hutchinson]

[Text] Port of Spain, Trinidad, March 8, CANA—Trinidad and Tobago's Police Commissioner Jules Bernard was expected to take disciplinary action on Monday [8 March] against scores of uniformed police officers who took part in a recent unprecedented protest march around the Parliament. The Monday deadline was set by the Police Service Commission following an interim report, which identified 70 officers who took part in the march last month without prior permission from the commissioner.

The police service regulations require that prior permission of the commissioner be obtained before any officer institutes or takes part in any procession, demonstration, or public meeting. The chairman of the commission, Kenneth Lalla, told the Caribbean News Agency that Bernard was given an extension to submit the full report on Monday or to take disciplinary action against the officers identified.

"He will certainly have all day to submit the report or to take disciplinary action," Lalla said, adding that the matter was still in the hands of the commissioner. Lalla said that if no disciplinary action was taken against the police officers and the report submitted to the commission, Bernard would have to give reasons and grounds for not taking disciplinary procedures.

On February 5, the uniformed officers marched around the Red House—seat of the country's Parliament—chanting, "Huggins must go—no foreigners; and Bernard must stay." In addition, they stopped three times in front of the national security minister, Russel Huggins' office, opposite the Red House, continuing their chant which was accompanied by trumpeters. Their demonstration was against the use of Scotland Yard officers, with the authority of senior local officers to probe alleged corruption in the force.

The previous week the government had announced the creation of four posts for assistant commissioners for special investigations, to be filled by the Scotland Yard men. Huggins said that it was necessary to give the Scotland Yard investigators authority within the local service to carry on their probe. The investigations followed charges of a drug cartel operating in the police service, which were made by suspended assistant commissioner of police, Rodwell Murray. Murray claimed that his suspension over an alleged assault of a woman police officer was trumped up because of his refusal to join the cartel.

The Scotland Yard officers reported that they did not find any drug cartel, but "a hard core of corrupt police officers who would do anything for money," including protecting drug traffickers. Lalla said the request for an investigation into the march followed concerns from the commission as well as from the public.

"There was public outcry over the entire incident subsequent to which the commission requested the police commissioner to investigate and report to us," he said. "Someone was appointed to carry out the investigations, but because of carnival activities, there was a request for an extension of time for the investigation and possible disciplinary action, and today is that deadline."

Lalla said that Bernard must be satisfied that he has enough evidence to charge an officer who was involved in the march.

Costa Rica

Unidentified Men Hold Nicaraguan Ambassador Hostage

PA0903000193 San Jose Radio Reloj in Spanish 2301 GMT 8 Mar 93

[Report by Rodmy Vasquez]

[Text] We are transmitting near the Nicaraguan Embassy, specifically from the corner where the arts school is located. At this location, there is a narrow corridor where diplomatic vehicles exit. One of these vehicles is ready to come out of the embassy at any moment. We presume that this was ordered by the alleged kidnappers of the Nicaraguan ambassador.

All we have learned so far is that three armed individuals took over the embassy this afternoon. They are still in the building's interior, where there are also approximately 100 embassy personnel.

[San Jose Radio Reloj in Spanish at 2304 GMT on 8 March reports that: "The Costa Rican Government and Public Security Ministry is seeking a solution to the situation. Luis Fishman, minister of the Government and Public Security, has already issued certain statements to this effect. The Costa Rican Government is negotiating the release of at least six persons whom three unidentified individuals armed with assault rifles took hostage this afternoon. Security at the residences of top government officials, such as the president of the republic and the public security ministry building, has been reinforced. Minister Fishman is meeting with Presidency Minister Rolando Lacle. The two are coordinating the release efforts."]

Further on Hostage Situation at Nicaraguan Embassy

PA0903024993 San Jose Radio Reloj in Spanish 0100 GMT 9 Mar 93

[Report by Luchi Madrigal from the Government and Public Security Ministry in San Jose—live]

[Text] The Crisis Committee continues its meeting at the Government and Public Security Ministry with President Rafael Angel Calderon Fournier to analyze the situation at the Nicaraguan Embassy. There is a total news blackout, except for a press release read by Government and Public Security Minister Luis Fishman, who is a member of this presidential appointed Crisis Committee, which is also formed by Foreign Minister Bernd Niehaus; Presidency Minister Rolando Lacle; and Enrique Montealegre, executive president of the Port Administration Board for the Economic Development of the Atlantic Coast [Japdeva]. You will recall that Japdeva took part in the Luis Fishman kidnapping case a few months ago. Judicial Investigation Agency Director Rafael Angel Guillen is also a member of the Crisis Committee.

This Crisis Committee is analyzing the situation and is in constant contact with Nicaraguan authorities. According to Luis Fishman, no Nicaraguan officials are expected to arrive.

A news blackout prevails at the Government and Public Security Ministry. Government representatives do not want to give details about what is really taking place. We are able to report, however, that according to the Government and Public Security minister, the group has made contact with Costa Rican Government authorities and has identified itself as a group of politicians and military patriots who, according to them, demand a change in the Nicaraguan situation and ask for President Violeta Chamorro's government to take corrective policy measures.

Luis Fishman said the Costa Rican Government is most willing to help the Nicaraguan Government in this situation. It involves Nicaraguan Ambassador Alfonso Robelo and several of his assistants, who were kidnapped after 1500 by three heavily armed people at the Nicaraguan Embassy in Costa Rica, near La California.

This is the information supplied by Luis Fishman in a brief news conference, at which all other officials remained silent. We are going to play back part of Luis Fishman's statement of a few minutes ago:

[Begin recording] [Fishman] Lastly, the Costa Rican Government wishes to state expressly that it will use all available resources to try and ensure a happy outcome to this crisis. Our basic priority is to safeguard the personal safety of the citizens involved.

[Unidentified reporter] [words indistinct]

[Fishman] [words indistinct] No, no. Pardon me. I want to tell you that the official communiqué explains what has taken place up to now, and this is all I can say. At about 2100 we may report any new developments. [end recording]

That was part of Luis Fishman's statement when he read a press release just minutes ago. Here is a very brief statement by Presidency Minister Rolando Lacle:

[Begin Lacle recording, in progress] ... [words indistinct] sufficiently careful. We give this information to our media friends, who are always welcome. [end recording]

El Salvador

FRS Opposes Holding Back Truth Commission Report

PA0803233093 San Salvador Canal Seis Television Network in Spanish 0030 GMT 8 Mar 93

[Text] On 7 March the clandestine Salvadoran Revolutionary Front [FRS] demanded that on 15 March the United Nations, the Salvadoran Government, and the former Salvadoran guerrillas make public the Truth Commission report. The group threatened to respond

with military force to any attacks against the witnesses who provided evidence to the Truth Commission.

The FRS indicated in a communique that failing to make public the document would only serve to protect those high-ranking military officers and civilians linked to human rights violations.

The FRS, which is formed by former Farabundo Marti National Liberation Front [FMLN] members, also urged the FMLN leadership to refrain from any type of negotiations that, in their opinion, could be promoted by the government to conceal the names of those military officers mentioned in the report.

Communist Party Holds Eighth Congress

PA08C3220893 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 8 Mar 93

[Report by Herman Ayala—passages within quotation marks are recorded]

[Text] For a democratic power toward a socialist future, Farabundo lives! That was the main slogan of the 8th Congress of the Communist Party of El Salvador [PCES] that concluded on 7 March in Guazapa.

The PCES Congress was described as an example of internal democracy that had not been observed in democratic organizations within the last 12 years, said a participant of the event. There were over 500 communist leaders at the congress, which is unprecedented in these last 12 years due to the clear and frank debate that was used, said the participant. Party activities were replaced by militarism, another participant said. This situation generated arbitrary actions and vices within this party, which is a member of the Farabundo Marti National Liberation Front [FMLN], the observer added. One of these vices was the imposition of leaders, which many participants in the 8th Congress feel was surpassed by this important event.

According to some members of the PCES consulted by this radio station, it was evident that a Central Committee had already been organized, but the grassroots of the party challenged the procedure. The proposal that had already been arranged was then rejected, and the grassroots presented as many as 47 proposals involving over 120 members. After long, but substantial debates, the PCES Congress elected its new Central Committee, which is made up of 45 members and 10 alternates. The election was held by direct and secret voting, and after careful counting, the electoral commission announced the results.

[Unidentified speaker] "Luis Merino, Ramiro, [applause] 186 votes [applause, cheers, slogans]; Rafael Benavides, Ramon Suarez, [applause, cheers, slogans]; 181 votes."

Many members of the former Central Committee were not elected, as the grassroots challenged their methods of

leadership. The new Central Committee includes many new members, with which the majority of those present feel very well represented. The Central Committee was sworn in by veteran member Miguel Marmol, a legendary and outstanding communist leader of the decade of 1930's.

[Marmol, in progress] "... to defend and strengthen the unity of the revolutionary movement of our country, of Latin America, and of the world? [group shouts: "Yes, we swear!"] [applause] If so, the fatherland and posterity will honor you."

The last PCES Congress was held in 1979 when the party decided to participate in the armed struggle. Shafik Handal, who was ratified as the party secretary general, commented on the 8th PCES Congress that concluded on 7 March as follows:

[Handal] "This congress has shown the great development, great growth of our party, much vitality and quality among the ranks. It has outlined a clear guideline for the transition period and a program of the democratic revolution. It has also prepared new statutes. What you have just seen here is the result of the elections held on 6 March for members and alternates of the Central Committee. These elections were secret and direct."

The predominant slogan in the congress was: For democratic power, toward a socialist future. This implies that the PCES continues to be faithful to communist ideology without casting aside other ideas. Handal stressed: We do not need to change our name or hide our ideology. We continue to be communist.

[Handal] "We have reaffirmed that we are not going to change our name. Our name is linked to our history. We have waged a long struggle in our country for democracy and social justice. We have had the goal of socialism. We continue to maintain the goal of socialism. We continue to struggle and have made a great contribution. More than 800 of our comrades died in the fighting. They died with our party's flag. In our new statutes, we have defined the communist party's thought. We have defined it as one that assimilates and is based on the experience of our own struggle, the patriotic traditions of our country, the knowledge of scientific socialism drawn up by Marx and Engels, and the critical assimilation of all worldwide socialist thought. To this we have also added that the PCES assimilates all forms of progressive thought, including, of course, progressive religious thought which is committed with the poor and social justice."

Communist women played a prominent role in this congress. Nine of the posts in the Central Committee are held by women. This is a great tribute to Salvadoran women on occasion of international women's day on 8 March. This was explained by Rosario Acosta.

[Acosta] "There is greater participation by women. There are now nine women in the Central Committee."

Some of them will be included in the Political Commission. We think that this will be a new experience and an example for all Salvadoran women. It will show that we can be mothers, wives, sisters, housewives, and political leaders."

In addition to the 45 members of the Central Committee, 10 members of the Political Commission were elected. A three-member honor tribunal was elected. It will watch over compliance of the party regulations by members. Many of the participants in the congress said they were pleased with the results, stressing that the congress was an example of internal democracy not experienced for a long time.

The PCES Congress is the first example of internal democracy in the FMLN parties. This example is expected to be repeated by the other parties to strengthen the democratic process. The democratic process is the result of the FMLN's political-military struggle and will now have to be consolidated through future elections.

Guatemala

Labor Leader on Endorsement of U.S. Preference System

PA0903014793 Guatemala City SIGLO VEINTIUNO in Spanish 7 Mar 93 p 5

[Text] The Guatemalan Workers General Central Organization [CGTG] has denied it signed a document that requests the permanent use of the U.S. General Preference System (SGP) in Guatemala.

The statement was made by CGTG Secretary General Rigoberto Duenas, who said the organization has a copy of the document signed by other labor unions, and it does not include the CGTG.

According to the labor leader, the whole thing "is a government strategy to divide and destroy the Guatemalan labor movement through false reports and statements.

"The CGTG would never go for this type of action because we think it is treason. It turns business group defenders into endorsers of labor rights violations," he said.

Duenas said that the organization he represents maintains its firm position of reporting human and labor rights violations, and it has requested Guatemala's exclusion from the SGP.

The labor leader said the Labor Ministry summoned labor groups to attend a tripartite meeting with the private sector to discuss a minimum salary.

He added: Nevertheless, "we realized it was an attempt to divert our attention from the main issue, meaning to request Guatemala's exclusion from the SGP, so we opted to leave the meeting."

"We now find out they tried to add our organization's name arbitrarily to a document that we never would have endorsed," he asserted.

The CGTG secretary general justified the Guatemalan Workers Trade Union's reaction on learning about the document: "We would have reacted the same way to such a monstrosity."

Associations Accuse Bank of Indifference in Credit Issue

PA0903011093 Guatemala SIGLO VEINTIUNO in Spanish 6 Mar 93 p 3

[Text] The Coordinating Committee for Agriculture, Commercial, Financial, and Industrial Associations (CACIF) on 5 March in a communique stated its concern and annoyance over the "indolent attitude of Bank of Guatemala and government officials toward modifying monetary, exchange, and credit measures."

The communique adds that the authorities have been indifferent, despite the fact that the private sector made a serious, complete, and clear proposal to correct the damaging distortions these measures cause.

CACIF blames the government and the Central Bank for the damaging consequences now being faced, which can be seen in the contraction of the productivity, unemployment, and the increase in product costs.

The communique continues by stating that the CACIF made a serious and appropriate proposal to correct the problems. Officials, however, have not honored the agreements and commitments they made when the proposal was presented.

At this moment, the communique states, it has been agreed to form, with representatives from the public and private sectors, a technical commission, "which due to government negligence, was not called to order on the agreed date, thus no results have been obtained.

"The CACIF declines all responsibility for the negative economic repercussions that result from the indolent attitude of the officials and regrets the little interest they have shown in avoiding them," the communique ends.

Honduras

Relatives of Missing Detainees Demand Discua's Removal

PA0803220293 San Pedro Sula TIEMPO in Spanish 6 Mar 93 p 9

[Text] Tegucigalpa—On 5 March, the Committee of Relatives of Missing Detainees in Honduras (Cofadeh) issued a communique asking the Ad Hoc Commission, created by the Legislative Branch, to make recommendations on reforms to the judiciary and police systems.

They requested that the Ad Hoc Commission "demand the preventive removal" of Armed Forces Chief General Luis Alonso Discua Elvir.

"We propose that, given repeated insinuations, statements, and accusations against the current Armed Forces chief as a main player in institutions of terror and death, the aforementioned commission formally demand his preventive removal until the investigation is concluded."

They voiced their confidence that members of the commission, presided over by Archbishop Oscar Andres Rodriguez, have "access to official files to uncover the lies and the official truths." They hope that "commission members will propose the best solutions so that justice, peace, and full respect for human rights prevail in our children's fatherland."

In the communique, Cofadeh explained that they applaud "the openness and impartiality" of the statements by Ad Hoc Commission President Monsignor Rodriguez.

They expressed their fear "that the government initiative could be used as a political solution to quell dissatisfaction at a special historical juncture. They also expressed fear that the government action could be a strategy to distract media attention from current and past corruption within the police and military institutions."

On 5 March, at their monthly public protest at the Legislative Palace, the relatives of missing persons mentioned a series of commissions formed by previous governments and by the current administration. They said that these commissions were formed to distract the people's attention from the issues of national importance.

"There are many examples of this type of initiative by previous governments and by the current administration. However, the doubts are now greater, not so much by the quality of commission members, but because it was created by a three-dimensional president; a president who thinks one way, talks another way, and acts in a third very different way," the communique stated.

They added that "despite all of this, we are at a moment in which it is best to trust the alleged good faith and the moralizing consciousness of the archbishop and of other commission members. Honduras has little time to improve its image as a nation."

Nicaragua

Finance Minister Admits 'Intensified' Recession

PA0803192493 Managua Radio Catolica in Spanish
1100 GMT 8 Mar 93

[Text] Finance Minister Emilio Pereira has confirmed that the country's monetary reserves have not decreased, but he added there is a serious drop in liquidity because

much of the currency in circulation has been hoarded by the banks and the large entrepreneurs.

Emilio Pereira admitted that the recession in Nicaragua has intensified and that financing for long-term producers is jeopardized due to Bill Clinton's administration withholding \$54 million in assistance.

The finance minister made other statements to the reporters on the country's economic situation and voiced his concern over the consequences of the withheld assistance. Minister Pereira also reported that the state will cope with the recession by releasing more bills into circulation, but it will be extremely careful not to prompt an inflation. He reiterated that for the time being, the state will not make any changes in the economic adjustment plan.

UNO Requests OAS Commission Verify Local Situation

PA0803192293 Managua LA PRENSA in Spanish
6 Mar 93 p 10

[Article by Felix Navarrete]

[Text] The National Opposition Union [UNO] has made an official request to OAS Secretary General Joao Clemente Baena Soares asking that the OAS Permanent Council appoint a commission to visit Nicaragua to verify the political situation, particularly the Nicaraguan Parliament situation.

On 5 March, Deputy Luis Sanchez, who is in charge of UNO's international relations, announced the UNO wing had presented an official report on the National Assembly's situation to Hector Villalobos, OAS Ambassador to Nicaragua.

Sanchez also reported that Alfredo Cesar, former president of the National Assembly, will travel to Washington on 6 March on behalf of UNO. He will deliver the document to the OAS secretary general.

In the document, UNO stresses the 29 December coup d'etat against the Legislative Branch by order of President Violeta Chamorro through Agreement 341-92.

The document also described the actions by the Assembly leadership as violations of the Constitution and of the laws of the country. The Assembly leadership had called for a provisional board that on 9 January elected a new leadership that the UNO leaders define as "illegal."

The document contains several observations on Nicaragua's political situation, on relations with political parties, and on a detailed juridical analysis of the crisis which took place during the last legislative period.

The document has the unanimous support of the Political Council of the opposition wing. OAS is expected to accept the request and the observations by the UNO leaders.

Sanchez pointed out that UNO has also requested that Nicaragua's serious political situation be included in the OAS agenda for 12-17 June in Managua.

According to the former vice president of the National Assembly, the Santiago Declaration signed by OAS country members established a commission to safeguard democracy and defend their civilian institutions.

"I believe that this premise of the Santiago Declaration should be applied in Nicaragua's case," Sanchez stressed. He added he was optimistic about the efforts the OAS could make with regard to the Nicaraguan political crisis.

The document sent to Baena Soares is signed by the 11 UNO wing leaders, and it will be publicly announced early in the week of 14 March.

Argentina**Menem Says No Funds for Military Wage Increase***PY0903012393 Buenos Aires CLARIN in Spanish
4 Mar 93 pp 6, 7*

[Text] President Carlos Menem yesterday ruled out the possibility of granting a wage increase to the military because there are no funds. He said: "There are no funds now. From where could we get the money?"

After a week of discussions, Menem ended the argument between Defense Minister Antonio Erman Gonzalez and Economy Minister Domingo Cavallo on a subject that became a cabinet crisis that had been maturing for a long time.

With the figures of the national budget in his hand, Cavallo rejected all demands by Erman who, notwithstanding, maintained his position until 2 March even though he will resign as minister in two weeks to run for a seat as a national deputy.

The president did not flatly rule out the possibility of raising military salaries in the future. "The economic situation must be improved, which is what we are working for. When the time is right and we have the resources, we will reconsider the subject," he said.

In a public statement in La Rioja earlier, the president said that an increase for the military was under study.

The president yesterday said "with absolute security and certainty" that "for the time being" there will be no increase. Menem then complained because "much has been said" about the subject that is "a problem" that must be considered "in context."

The decision to postpone, without pre-established terms, the increase was made after extensive conversations with Cavallo, who also told the president of the need to cut public expenses by a further 10 percent to comply with the goals established in the agreements with the IMF.

On 2 March Erman said, however, that the Armed Forces' demands would "soon" be met favorably, for which reason "we continue to seek budget allocations." The minister added that there was a "consensus" in the cabinet over the fairness of the demands.

Such statements give credence to rumors that the 10 percent cut in expenses would be used to improve military wages. The government has other fiscal needs, however, that come before the military wage increase.

This is, without doubt, a hot issue for Oscar Camilion, successor of Erman. The future defense minister said they are "fair demands" although—demonstrating his diplomatic abilities—"they logically clash with the existing situation over resources." The subject will surely be discussed when Erman and Camilion meet in Milan on 8 March to comment on different issues concerning the change of command in the ministry.

Efforts within the government to meet the military demands were mentioned by the military chiefs. Major General Martin Balza, Army chief of staff, ruled out any "discomfort"—a word often used in these situations—within the institution. He nonetheless added that "salaries are needed, both for Armed Forces members and for the civilian sector of the Army."

Admiral Jorge Osvaldo Ferrer, Navy Chief of Staff, avoided commenting because he considered "it a political subject," adding that the branch he commands had already raised the issue before the political power "with characteristic seriousness."

Military sources last night told CLARIN that they fear the salary problem may cause protests involving both the cadres and members of the military family. This subject was particularly stressed by the chiefs of the military units who believe that protests that go beyond the military barracks would be very difficult to control in the interior of the country.

As an example, wives of noncommissioned officers have already announced a sit-down demonstration. It will take place outside the Villa Martelli military unit, where Colonel Mohamed Ali Seineldin chose in 1988 to rebel. Just before departing for Europe, Defense Minister Erman ruled out any possibility of demonstrations. "Protests are not justified when no one needs to be convinced of the fairness of the demands," he said.

Military Civilian Personnel Announce 'Battle Plan'*PY0903024993 Buenos Aires TELAM in Spanish 1008
GMT 8 Mar 93*

[Text] Buenos Aires, 5 Mar (TELAM)—The Armed Forces' civilian personnel (Pecifa-capital) [Civilian Personnel of the Armed Forces] announced that they will implement a battle plan that includes "mobilizations, hunger strikes, and protest marches" in the face of "the group's serious labor situation."

The trade union has based its battle plan "on the salary freeze; degrading labor conditions, like hidden dismissals; and the expulsion of human resources."

A Pecifa communique adds that the measure was adopted to demand the "total dismantling of military facilities [destinos], illegal exploitation at military installations, the discriminatory assignment of overtime work hours, and the nonpayment of compensation for dangerous tasks."

Pecifa says these measures "will be adopted gradually and progressively until reaching a definite solution to the conflict."

Condor-2 Missile Parts Said Destined for U.S.
PY0803000093 Buenos Aires CLARIN in Spanish
3 Mar 93 p 5

[Text] Contrary to what the Argentine Government has officially reported, the final destination of the dismantled Condor-2 missile may not have been Spain but the United States, where it was to be destroyed.

The report, published yesterday in Spain by the newspaper EL PAIS, was not denied by high-level Foreign Ministry sources contacted by CLARIN.

The Madrid newspaper stated that the 14 engines, 17 seamless tubes, and two models that arrived on 29 January at the Rota Military Base on the Mediterranean coast "in about 30 containers, were immediately reshipped to the United States."

EL PAIS added: "The strange journey of the missile from Argentina to the United States, with a 'technical stop-over' in Spain, can only be explained by the Argentine president's desire to avoid the bad image that would result from direct delivery to Washington—an ally of the United Kingdom during the Falklands War—of the 'secret weapon' of the Argentine Air Force: a ballistic missile capable of carrying a 500 kg warhead with a range of 900 km, thus making it capable of reaching the disputed islands."

It has been unofficially noted at the Argentine Foreign Ministry that by virtue of a cooperation agreement between the National Space Activities Commission (Conae) and the National Airspace Technical Institute (INTA), Spain "may do whatever it wants to with the missile."

Until now the Argentine Government has contended that Spain was the destination of the missile. This procedure was chosen because a direct shipment to the United States would have hurt the pride of the Argentine Air Force, which started to develop the secret project shortly after the Falklands War.

The basic agreement was signed last year, following a personal agreement between President Carlos Menem and Spanish President Felipe Gonzalez.

EL PAIS states that according to Spanish experts who checked the containers in which the missile parts arrived in Spain on board the Argentine Navy ship Bahia Paraiso, "there was only junk in them."

The above literary description coincides with an exclusive report published by CLARIN on 28 February, which noted that U.S. Ambassador Terence Todman had asked the Foreign Ministry to deliver the "smart" parts of the missile, which had not been taken out of the country.

The U.S. request provoked conflicting opinions among senior officials of the Foreign and Defense Ministries,

but these opinions "were overcome" through an agreement. One cannot say that Eduardo Bauza, secretary general of the Presidency, played no part in bringing about the agreement.

CLARIN has learned from official sources that in keeping with the agreement, early this week the Defense Ministry began to carefully inspect the secret plant of Falda del Carmen in Cordoba to search for the "smart" parts of the Condor-2 missile.

For its part, based on results of the investigation, the Foreign Ministry will draft a "nonpaper" (an unofficial paper) to respond to the U.S. complaint about an unspecified number of computers for guiding, controlling, and programming, among other elements.

This will thus end the controversy between the Defense and Foreign Ministries as to whether an answer should be given to Ambassador Todman's complaint. Foreign Minister Di Tella believes that if located, the missing elements—that is, those used to correct the missile course after it has been launched—should be shipped to Spain. For his part, Defense Minister Erman Gonzalez is reluctant to do this.

This is not the first time it has been necessary for Bauza to mediate. When the issue of whether the missile should be destroyed was brought up early in 1991, Bauza was already acting as a mediator between Gonzalez and Di Tella and Economy Minister Domingo Cavallo.

Commenting on these disagreements, and endorsing the defense minister's position, Brigadier General Jose Julia—the Air Force chief of staff—yesterday paraphrased Sarmiento [Domingo Faustino Sarmiento, Argentine statesman and writer, 1811-1888], saying that "just as ideas cannot be killed, knowledge is not lost through export."

Although the Air Force has had nothing to do with the Condor-2 project since the National Commission for Space Research [CNIE] became Conae and was placed under the Presidency of the Republic, Julia stated that the know-how acquired by the scientists and experts who worked in the missile project "will not be lost." He made these remarks to reporters during a visit to the site of the future El Plumerillo International Airport in Mendoza.

After stating that "it is not necessary" for Argentina to develop missiles for military purposes, Julia said that the Falda del Carmen plant "could be used for peaceful activities, such as satellite technology."

Defense Minister Denies Missile Existence

PY0803145993 Buenos Aires TELAM in Spanish 1352 GMT 4 Mar 93

[Text] Buenos Aires, 4 Mar (TELAM)—Discussing the shelving of the Condor-2 project, Defense Minister Antonio Erman Gonzalez has said: "No one should be surprised by the nonexistence of a 'smart' warhead because one never existed."

In response to a question on whether there was discontent in the Armed Forces over the lack of salary adjustments, the defense minister added: "Concerning the salary issue, I have never mentioned the possibility of any discontent."

Gonzalez remarked to Radio Mitre from Italy. He was also asked whether he will meet with his replacement, Oscar Camilion. Gonzalez responded that he will possibly begin talks this afternoon and resume them tomorrow morning.

Concerning the dismantled Condor-2 missile materiel received by Spain, Gonzalez said the entire shipment "was duly controlled by Spanish experts" who were present at the time of loading.

The defense minister said that "a 'smart' warhead" was never discussed because such a technology was never achieved in Argentina. Therefore, he added: "We cannot be surprised now over the nonexistence of a 'smart' warhead that never existed."

When asked what was being sold, he responded that he was unaware of "any missile or component that had ever been sold" because that project "remained unfinished following President Carlos Menem's decision to discontinue research on a weapon of mass destruction."

Gonzalez added: "We actually preserved all those components that might technologically or scientifically be used for peaceful purposes."

Concerning Spanish publications reporting that the materiel that arrived in Spain had been reshipped to the United States, Gonzalez said that "I cannot confirm such reports." He added that it was actually clear that those components were shipped to study them and to determine "whether they can be used for scientific and peaceful purposes."

Asked about the government's refusal to increase military salaries and the situation that this refusal might create, the defense minister said: "Nothing strange will happen. Hopes will simply be delayed."

Gonzalez added: "Concerning the salaries issue, I have never mentioned the existence of discontent, especially at the level that we were accustomed to a few years ago."

Gonzalez was asked whether this decision by the Executive Branch favors the economy minister. He responded: "This is just speculation." Gonzalez explained that the issue of the Armed Forces' salaries is not the only priority issue. He said: "The fact of resolving or not resolving it does not involve a victory or a defeat by the sides that failed to secure it."

Gonzalez said: "Whenever there is a problem, we must definitely get used to the idea that an integral solution is sought, a solution that will not have any negative consequences, such as an increase beyond the possibilities of the treasury, an increase that will again create deficits and inflationary risks that we definitely want to avert."

Gonzalez added: "I have always said it is absolutely fair to adjust salaries that are lagging behind, not only when compared with historical levels, but with current levels of other sectors in the administration."

Gonzalez said his stance does not contradict President Menem's decision, but "it represents a fair demand that may not be timely." He added that finding a solution to this problem will be the responsibility of the Executive Branch that "will consider the reasons given by each side but that cannot ignore the existence of salaries that are lagging behind."

Concerning the source of funds for that salary increase, the minister responded: "The source from which those funds will finally be obtained has absolutely not been ruled out. To a certain extent, these funds have been included in the tax collection projection and spending reduction."

Gonzalez added: "Priorities are raised by social policies, the education situation, health, and so on." Nevertheless, Gonzalez said the demand is "fair, because a large portion of these funds comes from Defense Ministry enterprises that no longer cause a deficit and that already have been transferred to the private sector."

Gonzalez was asked whether, as an economist, he believes the economic program has any fiscal problems. He said: "I am not monitoring that, but I absolutely agree it is necessary to adjust public spending, because the disastrous public accounts that we have received have not yet been overcome."

Di Tella: No Missile Parts in Country

PY0603231193 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1632 GMT 6 Mar 93

[Text] Buenos Aires, 6 Mar (NA)—Foreign Minister Guido Di Tella confirmed that there are no parts of the Condor missile in the country because "all the components were sent to Spain," and he said that "it is not our problem" if that country in the end decided to give some of the parts to the United States.

Di Tella said: "For us, the Condor issue ended with the delivery of its components to the National Airspace Technical Institute (INTA) of Spain [words indistinct] convenient to its interests" and he added that "Argentina did not know the final destination of the parts."

In statements to a radio station, the foreign minister said that there is "a very firm possibility" that Argentina may be chosen to join the United Nations Security Council during the 1994-1995 period.

He said that if Argentina was chosen it would contradict what had been said by "those who were arguing that our nonaligned neighbors would prevent us from being a candidate."

Di Tella was asked about the statements by Pentagon spokesman Bryan Whitman, who said that U.S. authorities did not know where and when the missile parts (?had been) destroyed, especially what is termed the smart part.

On the destination of the dismantled Argentine missile, he answered: "Whether Spain did send certain parts to the United States is not my business. Whatever Spain did is not our problem, and we are not interested in it."

"We are interested in developing satellite space technology, and that is what we are concentrating on," he said.

He stated: "For us, the Condor issue ended with the delivery of the parts to Spain, and Argentina did not know the final destination of the parts."

Di Tella said that "the Condor project was very bad, because German companies attempted to [words indistinct] using Argentina as a testing ground, without allowing us to benefit from its technology and creating a [words indistinct] unreliable image."

"The sooner this is over [words indistinct]. We are about to take steps to enter into the Missile Technology Control Regime, which is very important and will allow us to join the club of countries with space technology," he said.

Speaking on another subject, Di Tella denied that U.S. Ambassador Terence Todman (?asked) Air Force Commander Brigadier General Jose Julia to destroy the installations in Falda del Carmen where the Condor missile was being built.

"No petition was made," the foreign minister said, and he reiterated that the government intends to reconvert the Falda del Carmen complex into a scientific research center with peaceful purposes.

Regarding the possibility that Argentina will join the UN Security Council, he recalled that Honduras had withdrawn its (?candidacy and that) Argentina has the support of the main Latin American countries.

"This ensures the support of the Latin American and Caribbean group for Argentina, and "there is a very firm possibility that we will join the UN Security Council for the 1994 to 1995 term," he said. If this were the case, it would contradict the theory "that our nonaligned neighbors would prevent us from being a candidate for the council," the minister said.

Air Force Chief, U.S. Envoy View Issue

PY0303154793 Buenos Aires LA PRENSA in Spanish
6 Mar 93 p 4

[Text] U.S. Ambassador to Argentina Terence Todman 1 March held a meeting "behind closed doors" with Air Force Chief Jose Julia to ask him, with no intermediaries, about the "missing parts" of the Condor-2. During the meeting, the U.S. ambassador insisted that the

missile's "smart warhead" [cabeza inteligente] was not sent to Spain—in fact, everything requested so far is already found in the United States. The U.S. ambassador again sounded out the true possibilities for the "destruction" of the Falda del Carmen installations, where a sufficient infrastructure remains to reactivate the project.

Julia not only told Todman, however, that he has nothing to do with the present or future of the Condor-2—exclusive responsibility of the National Space Activities Commission (Conae)—he also ruled out the possibility that the missile could have had at any moment a computerized guiding system since the beginning of his administration.

"The Condor-1, however, was complete, and President Carlos Menem himself activated it to test it. But the necessary funding to conclude the Condor-2 never arrived. I have always said that the Condor project was a great fraud," a high-ranking Air Force official told LA PRENSA.

In fact, it was not this new pressure from Washington that heated up the environment. When the "unofficial" U.S. request became known publicly, two different copies of the already famous "nonpaper" [preceding two words in English] began circulating. The same source told LA PRENSA that two paragraphs of the text released by the Foreign Ministry were omitted. Those two paragraphs included "gratitude for everything done to dismantle the Condor missile to this date" with "the firm purpose" of "concealing the bad handling of diplomatic relations with the United States." The conflict between the Foreign and Defense Ministries focused on the fact that those who work with Di Tella feel that it is harmful to create a conflict with the United States, while those following Erman Gonzalez claim that a limit must be established to concessions so as not to tarnish the Air Force even more. It is appropriate to recall that the first Air Force annoyance took place in 1989 when the then chief of staff, Brigadier Ernesto Crespo, avoided Ambassador Todman's proposal to talk about the Condor missile because "it was an internal Argentine matter and there was no reason to talk about it with a foreign representative."

Furthermore, the Air Force chief of staff denied an article published yesterday by the morning newspaper CLARIN which stated that "the Air Force used to pay an extra bonus to its forces as compensation for the meager official salaries" for being the "generator of its own resources, such as the royalties it receives for exploiting Ezeiza Airport government deposits and the ramp and free shop services." He said that "such reports are incorrect because the military and civilian Air Force personnel receive only the regular salaries paid by all three Armed Forces branches and that the revenues obtained by certain Air Force organizations are administered based on current budget rules and under the appropriate controls."

Menem, Cuban Council of Ministers Vice President Meet

PY0803210593 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 8 Mar 93

[Report by Silvina Martinez Porta from Government House]

[Text] Jose Fernandez Alvarez, vice president of the Cuban Council of Ministers, met with President Carlos Menem this morning. Fernandez conveyed President Fidel Castro's greetings to Menem and briefed Menem on the health of former Radical Deputy Cesar Jaroslavsky, who is undergoing medical treatment in Havana.

Menem reciprocated by sending Castro greetings and thanked Fernandez for providing medical care for Jaroslavsky.

Menem and Fernandez discussed issues pertaining to bilateral relations. Menem told Fernandez that he will propose Buenos Aires as the seat of the Olympic Games in 2004.

Fernandez told Menem that future good relations between Cuba and the United States depend on the Clinton administration's stance over the trade embargo and added that the Cuban Government always favors dialogue.

Brazil**'Crestfallen' President Said To Mention Resigning**

PY0903034393 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Mar 93 Section 1 p 2

[Article by Gilberto Dimenstein]

[Text] Brasilia—President Itamar Franco personally mentioned the possibility of resigning last week. Franco said that while pouring his heart out painfully as a result of reactions to his choice of Eliseu Resende for the Finance Ministry. Giving signs of depression, the crestfallen president complained to his closest advisers about a lack of understanding and a possible conspiracy to destabilize him and he attributed it to businessmen.

Franco's mood is worrying advisers such as Henrique Hargreaves, Mauricio Correa, Jose de Castro, and Mauro Durante, all of whom are surprised at the huge reaction caused by Resende's appointment and more surprised still by signs that the inflation rate may again increase rapidly in March. The unrest is affecting even the government leaders in Congress, Deputy Roberto Freire and Senator Pedro Simon.

Yesterday the president's depression and their fear of an unexpected outcome made the presidential advisers put an urgent plan into operation to extinguish the fire in an attempt to recover government support in Congress and among businessmen. The decision was unified: The

"Juiz de Fora group" will become more discreet and, from now on, no important decision will be adopted without consulting party leaders.

In private, the "Juiz de Fora group" already admits that it was a mistake to appoint Resende because his nomination only created more instability. The group fears that the press will transform the new minister into a favorite target of investigations and charges, thus eroding the government's image of austerity.

P.S.—Talking about targets, FOLHA yesterday published an Itamar Franco speech from when he was a senator. The speech, which was dug out by reporter Elvira Lobato, criticized Eliseu Resende's spending of millions of cruzeiros in the electoral campaign for the Minas Gerais State governorship in 1982. Franco said then that Resende's electoral campaign had affected Minas Gerais' people in what they praised most: "Their rejection of scandals, corruption, and the indiscriminate use of public funds to purchase public opinion." He included Resende among the "criminals of history" who will be punished by voters.

In the face of this speech, two hypotheses remain, only two: Franco was irresponsible and frivolous in his charges against Resende, or, today, he is an accomplice with Minister Resende's past. All we have to do now is choose one of the two.

Franco Accused of Adopting 'Imperialistic' Stance

PY0803224693 Rio de Janeiro O GLOBO in Portuguese 6 Mar 93 p 3

[Text] Sao Paulo—The National Executive Board of the PT [Workers Party] met yesterday in Sao Paulo. It later released a note about President Itamar Franco's government crisis, accusing the president of the Republic of adopting an "authoritarian stance" as head of the executive branch. PT National President Luiz Inacio da Silva, aka Lula, said he was disappointed over the designation of Eliseu Resende as head of the Finance Ministry.

He said the new finance minister does not have a very "commendable past" and is unlikely to develop alternatives for the resumption of the economic growth in the country:

Lula said: "Eliseu Resende annoys the Brazilian people, and was sentenced by the National Accounting Office. Young people took to the streets to overthrow Collor, yet Itamar Franco rewarded them with Resende."

The PT note states that it is up to Itamar Franco to establish a dialogue between the civilian society and the national Congress to face the political and economic crisis. According to PT leaders, the nomination of a "remnant of the military regime" within the government has shocked national ethical feeling.

Lula said that the PT will continue to support in Congress the projects that represent social benefits, including

those submitted by the executive branch. He said that Itamar Franco has adopted an "imperialistic attitude" and could be wasting an opportunity for profound changes in the country.

Lula added that he cannot comment on the permanence within the government of Labor Minister Walter Barello or Federal Administration Secretary (SAF) Luiza Erundina.

"Erundina should have never joined the government. The party asked for the suspension of her appointment but now we can do nothing. Barello is not a member of the party, although he has been my friend for 25 years, and we cannot ask him to step down from the government, either."

Lula said that the country needs a government and the immediate establishment of new guidelines in the economic area. He added: The "dismissal and appointment of ministers is leading the government to a profound credibility crisis in the eyes of the people and the political parties."

"There is no point in dismissing one minister and appointing another who promises to do the same thing. Perhaps the change was prompted by jealousy over the desire to call the new economic program the Itamar Plan. We have already had a president who acted this way, and he was not very successful," Lula criticized.

Franco Decides Against Talks With Politicians, Businessmen

PY0603183493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Mar 93 p 5

[Text] Brasilia—President Itamar Franco yesterday changed his mind and reported that he will not adopt the initiative of seeking the opinions of politicians and businessmen to try to find an understanding on the economic policy as a means to avoid repercussions on the designation of Eliseu Resende as finance minister. The report was released by presidential spokesman Francisco Baker, who said that the president does not believe in making a special effort to reorganize the basis of support basis for the government, although he remains "open to a dialogue with political leaders." Yesterday Itamar Franco conveyed to Minas Gerais Governor Helio Garcia his intention to "dialogue" with political leaders and businessmen on the economic policy.

Franco's sudden change has confused his allies and has left the government perplexed. "The country can no longer stand a misstep," Social Security Minister Antonio Britto said. Britto himself is engaged in a crusade to avoid the collapse of political support in Congress. The same work is being done by Chamber of Deputies leader Roberto Freire (PPS-PE) [People's Social Party—Pernambuco] and Senate leader Pedro Simon (PMDB-RS) [Brazilian Democratic Movement Party—Rio Grande do Sul]. While Freire spends 15 hours daily talking with congressmen, Simon is making

efforts to convince everyone of Franco's intention to hold talks. Yesterday, while Baker was announcing the president's change of mind concerning dialogue, the senate leader said that the designation of the new Central Bank president will be discussed with parties allied to Planalto Palace as a means of preventing the repetition of criticisms made against Resende's nomination.

"The president cannot be left alone for one single minute," one of Franco's ministers said, worried about influence he considers negative from a palace group in government decisions. A good example of that was the decision Barros de Castro, president of the National Bank for Economic and Social Development, made last night in tendering his resignation. He made this decision as a result of Counsel General Jose de Castro's criticism of him. Castro is a member of the group of Minas Gerais [MG] officials intrusted at Planalto Palace.

Amidst the reigning confusion, Baker explained that, actually, the president "will not avoid talking to anyone and that he is where he has always been." Baker asserted that the president believes that approving the bills the government is interested in is a matter of conscience to each congressman. He said: "If the congressmen believe that the fiscal reform is not of interest for the country, the president cannot violently oppose their decision, because the Congress is sovereign." Baker said that Franco is not interested in approval of fiscal reform, because his main concern is for "the country."

Even if the president is not interested in the issue, Senator Mario Covas (PSDB—SP) [Brazilian Social Democracy Party—Sao Paulo] has reported that Franco's hesitations and the influence of the Planalto Palace team on his decisions could affect the Senate's approval of the fiscal reform. "More congressmen than expected may vote against the reform," Covas said. Senator Alfredo Campos (PMDB—MG), who believes the president "may be surprised" by the results of a vote on the project, shares Covas' opinion.

Similarly, President Franco may be surprised regarding government allies. According to Baker, based on information received from congressmen, Franco believes that congressional support for his government "is nothing to worry about." The situation, however, seems to be different. PSDB President Tasso Jereissati yesterday could not hide his disgust over the president's lack of interest in and niceties toward the political parties. Even Foreign Minister Fernando Henrique Cardoso has vented the possibility of resigning if the government modifies its social policy.

Senator To Ask President To Dismiss 'Juiz de Fora Group'

PY0603190193 Rio de Janeiro O GLOBO in Portuguese 4 Mar 93 p 3

[Article by Cassia Maria]

[Text] Brasilia—Sao Paulo Senator Mario Covas, PSDB [Brazilian Social Democracy Party] leader in the Senate, will ask President Itamar Franco to dismiss the so-called "Juiz de Fora group," the president's friends who overthrew former Finance Minister Paulo Haddad.

Senator Covas is heading a group that includes ministers such as Social Security Minister Antonio Britto; Foreign Minister Fernando Henrique Cardoso; Federal Administration Secretary Luiza Erundina; and Labor Minister Walter Barelly, in addition to government leaders at Congress Roberto Freire and Pedro Simon, who are willing to thwart the influence of Itamar Franco's friends (Counsel General Jose de Castro Ferreira, Civilian Household Chief Henrique Hargreaves, Presidency's Secretary General Mauro Durante, and Justice Minister Mauricio Correa).

We are losing the public's support. We must create a favorable atmosphere to reverse the situation, Senator Covas said. Covas is acting as a spokesman for the politicians who are concerned about the "politics among friends" policy being implemented at Planalto Palace.

Senator Pedro Simon is coordinating the meeting that may take place this week. Until Paulo Haddad's replacement by Eliseu Resende, Covas was one of Franco's main allies, but he could not hide his disappointment over the president of the Republic's untimely attitude.

The PSDB leader said: It was a clumsy attitude.

Despite the allies' initiative, Pedro Simon does not believe the government will rescind Eliseu Resende's appointment.

Talking to Rio de Janeiro Mayor Cesar Maia at Senator Jose Richa's office, Simon said: Franco will hardly go back on his decision.

France Freezes Credit Line, Cites 'Concern' Over Changes

PY0703034893 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 93 p 1

[By Paris correspondent Reali Junior]

[Text] The French Government has decided to temporarily freeze export credits to Brazil because of the concern awakened in European financial circles over the replacement of the Brazilian finance minister and of the chairman and directors of the Central Bank. This step was taken barely a week after French Treasury and Paris Club officials had decided to gradually open the lines of credit to Brazil.

Over the last three days the Bank of Brazil and other Brazilian banks which operate abroad had been noticing that European banks were reluctant to handle short-term operations. European government officials and bankers are keeping in mind the possibility that Brazil's economic policy may change following Paulo Haddad's

replacement by Eliseu Resende. The most recent development could delay exports to Brazil.

Proposal to Suspend Methanol Use Submitted to Fuel Department

PY0603024693 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 5 Mar 93

[Excerpt] The proposal for suspending methanol use has already been submitted to the National Fuel Department. Health Ministry Sanitary Control Secretary Roberto Chagas today sent a note to the National Fuel Department asking the Brazilian Government to forbid the import and use of methanol, not only as a fuel mixture but in any other activity. The note recommends the withdrawal of this product from the market in a maximum period of six months. [passage omitted]

Chile

Bolivia's Paz Discusses Commercial Accord

PY0903024293 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2330 GMT 8 Mar 93

[Text] President Jaime Paz Zamora held a lengthy interview in Bolivia with Chilean journalists. He referred to commercial relations with Chile and the controversial subject of Bolivia's claim for an outlet to the sea.

Herewith a report, via satellite, by our special correspondents.

Currently Bolivia exports goods worth some \$30 million to Chile. Chilean exports to Bolivia, however, amount to some \$120 million. This imbalance of almost \$90 million has prompted Bolivian authorities to start negotiations with Chile to sign an economic cooperation agreement to increase Bolivian exports to Chile.

However, any subject with Chile is sensitive. Bolivian opposition and military groups have, therefore, been skeptical and even disagreed with the negotiations. They maintain that any negotiations should include the controversial subject of an outlet to the sea. Despite everything, Paz Zamora's initiative continues to gain strength. This morning he agreed to briefly discuss the subject with Chilean journalists.

[Begin recording] [unidentified reporter] President, during our stay in Bolivia we noticed that some groups maintain that talks on commercial issues are subject to talks on Bolivia's landlocked situation. In other words, that the two subjects cannot be discussed separately.

[Paz] Well, as I have said, we are living in a democratic country in which each and everyone has their own viewpoint. But this is not the case at the government level. Government members share the same viewpoint in this regard. There are also some businessmen who fear the Chilean competition. Well, the government is

working with them to show them that the terms of a good commercial agreement will also give them a chance to do good business.

[Reporter] Does signing this agreement mean that Bolivia's claim for an outlet to the sea no longer is a priority issue?

[Paz] It has never ceased to be a priority issue. They are two completely different issues. In this case we are talking about trade. Bolivia cannot remain inactive in view of a Chilean commercial avalanche that causes an imbalance in our trade balance. Moreover, Bolivia needs to find new markets for its own economic growth. Bolivia's cause for an outlet to the sea is a sacred cause for all Bolivians that is very much alive and being conducted now, I think, in a rational manner. The key issues of this strategy is to guarantee Bolivia's presence and influence on the Pacific coast. [end recording]

In the negotiations with Chile, the Bolivian Government is requesting authorization to export some 300 items, which currently pay an average 11 percent tax to Chile, with a zero tax. Moreover, Bolivia's taxes, which range from 5 to 10 percent, are the lowest in South America.

Finally, President Paz Zamora asserted that despite the problems, this commercial agreement with Chile will be signed by any means before his mandate ends next July.

Army Communique Refutes Criticisms of Pinochet
PY0903012793 Santiago Radio Cooperativa Network in Spanish 2200 GMT 8 Mar 93

[Text] The Army has refuted criticism by the Communist Party of Army Commander General Augusto Pinochet.

Although the communique does not specifically mention Communist leader Jorge Insunza, it refers to Insunza's response to a comment by General Pinochet in which Pinochet says that some believe he is mentally debilitated. Insunza has said that this represents an act of provocation.

The communique states that the Army commander's comments by no means refer to the government as the communist leader suggested.

It continues to point out that once again clearly identified sectors are trying to make Pinochet appear defiant and rebellious, a posture which the Army flatly rejects.

The communique concludes that these charges do not reflect the situation within the Army nor within the country.

Colombia

Prosecutor General Rejects Planned Escobar Surrender

PA0603200893 Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 1800 GMT 6 Mar 93

[Text] Prosecutor General Gustavo de Greiff has flatly rejected the possibility that Pablo Escobar is preparing his second surrender within the next few hours. So far the Prosecutor General's Office, the entity in charge of procedures such as these, has received no information regarding a surrender by Escobar.

[Begin de Greiff recording] I do not believe he is planning to surrender, because if he surrenders it must be to the prosecutor general of the Republic and we have not received any information—official or unofficial—to the effect that this might happen. [end recording]

The prosecutor general also explained that Escobar has, in fact, established conditions for his surrender.

[Begin de Greiff recording] He has been sending messages to the government and journalists calling for a different jail, a multinational force to protect him, the withdrawal of the police, the concentration in one place of all the individuals who have been arrested or surrendered, and so on. The government has emphatically responded, however, that it will not make any commitments whatsoever and the Office of the Prosecutor General has said it will only accept those conditions established in the law on surrender. In other words, he must present himself; he will be sent to a jail in keeping with the guidelines established by the law, such as being near relatives and so on, and where he will not be a threat to society. [end recording]

To conclude, the prosecutor said that under no circumstances will he join a commission of well-known figures who would be present at the moment of Pablo Escobar Gaviria's alleged surrender.

Rejects Escobar's Conditions

PA0803033393 Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 0130 GMT 8 Mar 93

[Text] It seems that the possibility that Pablo Escobar will surrender to the authorities has vanished. His latest conditions for surrender were flatly rejected, while actions by public forces and the Pepes [Persecuted by Pablo Escobar] group have increased.

The prosecutor general announced on 7 March that he will not be present when Pablo Escobar surrenders or when any other person turns himself in to the authorities. He also stated that it is not the Office of the Prosecutor General's responsibility to guarantee the safety of Escobar's family and that he will definitively not accept conditions for the fugitive and drug trafficker's surrender.

The TV Today newscast learned of the contents of a letter addressed to the prosecutor in which Escobar repeats his intention to submit himself to the justice system provided he is detained in the Itagui Prison with the Ochoas, that the departure of his children be guaranteed, and that the prosecutor, the attorney general, and Monsignor Dario Castrillon be present when he surrenders.

In the same letter, Escobar says that as a goodwill gesture he will report the names of all those who became wealthy because of him. According to Escobar, his surrender could take place quickly if his conditions are accepted. But the prosecutor general's reply makes the chances for Escobar's surrender seem to vanish.

Escobar's announcement comes at a time when authorities have said that his capture is imminent and the harassment by the Pepes group, which has effectively struck Escobar's organization, has heightened.

Escobar's Son Linked to Murder of Police Captain

*PA0803194493 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1730 GMT 8 Mar 93*

[Report by Marcela Duran from Medellin]

[Text] Pablo Escobar's son Juan Pablo has been linked for the first time to a crime. Information provided by two Medellin Cartel members, namely, Henry de Jesus Gomez, alias Terry, and Juan Guillermo Henriquez, alias Juanguí, who were arrested in the past few hours, indicates that Escobar's eldest son participated actively in the murder of police intelligence Captain Fernando Posada in December 1992.

The detained men added that Pablo Escobar summoned via beeper a group of about 50 men to a meeting at a farm in Sabaneta. At the farm he told the men they would deal a major blow to the Judicial Police and Investigation Directorate. The men arrived at the captain's home in about 20 vehicles. They planted there two containers loaded with dynamite. A group entered the house and finished off the man in uniform.

The two detainees claim Juan Pablo Escobar participated in this operation with them. They added he was always armed and on his father's side. Juan Pablo Escobar is 16 years old. He had tried to leave the country for the United States 20 days ago with his younger sister but was not allowed to travel because he lacked his father's signature giving him authorization.

Terry and Juanguí, who linked Juan Pablo Escobar to the captain's murder, will be transferred in the next few hours to Santa Fe de Bogota under strict security. They will serve as key witnesses against Pablo Escobar and son. Now that the National Police have the charges by the two detained men they must find Pablo Escobar's son Juan Pablo Escobar.

*** Pepes Attacks Said Pressuring Escobar, Family**

*93WD0395Z Santa Fe de Bogota SEMANA in Spanish
23 Feb 93 pp 30-33*

[Unsigned article: "Week of 'Pepazos'"]

[Text] The resemblance to his father was amazing. All the television viewers who saw Juan Pablo Escobar Henao, son of Pablo Escobar Gaviria, carrying his little sister after the failed trip to the United States were impressed. This reaction was not due to the physical resemblance alone, but also to the fact that, in a country where everyone feels somehow trapped by Escobar, it was paradoxical to see his family on television, under the same or even more pressure. And, in fact, those pictures symbolized what had happened in Colombia within only five days. After the bombings in Bogota on Monday, so much had occurred that the situation seemed to have shifted 180 degrees.

The panic felt by Bogota residents after the bombs was experienced by Escobar's organization after the "pepazos," as the bombs set by the Pepes [Persecuted by Pablo Escobar] were colloquially called. This movement became "the contra," applying to the biblical rule, "an eye for an eye and a tooth for a tooth," the new equation, "three eyes for an eye, and three teeth for a tooth."

The Pepes had proven to be something serious. They were more familiar than anyone else with Escobar's world, and aware of what its vulnerable spots might be. And their philosophy seemed to be that terrorism can be dealt with only by greater terrorism. And, despite the immorality of this notion, there were many Colombians who, "although not rejoicing, felt a breath of fresh air."

The Pepes' offensive began on Wednesday night, with the fire at the La Manuela country house located in the municipality of El Penol, in eastern Antioquia. This property of Maria Eugenia Henao (Pablo Escobar's wife) was left in ashes after a dynamite charge exploded. The flames had not finished consuming the Escobars' property when the Pepes dealt another blow to the Medellin Cartel chief. This time, the group discovered a warehouse in the Guayabal district of the municipality of Itagui, where Escobar kept his famous, exclusive collection of antique vehicles. The latter was one of Escobar's most cherished treasures. It had been saved from ending up converted into scrap in 1988, when, in a widely publicized event in the war of cartels, a car bomb nearly blew the Monaco building, a residence of the Escobar Henao family, into a thousand pieces. Stored in its underground garage were the automotive jewels that Escobar had collected during the previous decade. Last week, the Pepes torched the Itagui warehouse to which the antique cars had been sent, and the flames consumed the collection, worth nearly \$5 million: over 3 billion pesos.

But the nightmare for the cartel chief and his family members had not ended. On Thursday afternoon, the Pepes invaded the residential zone of El Poblado,

burning two vehicles located at a not yet completed luxurious residence which, according to the authorities, belonged to Pablo Escobar's family. That same day, at 2000, the Pepes returned to El Poblado and set fire to the "Barros" ceramics gallery owned by Marina Henao, sister of Pablo Escobar's wife. Between Thursday and Friday, the Pepes attacked two more Escobar properties, one in the rural zone of Llanogrande, thereby completing six operations. Hence, they appeared to be keeping their promise to strike Escobar's organization with three blows for every car bomb set off by his men.

However, the Pepes, who came into public view at the beginning of the year after the Medellin Cartel began operating in the nation's capital, have not confined themselves to attacking Escobar's properties. In addition, they have murdered over 40 persons and, according to reports, informed on half a dozen cartel members who have ended up dead or arrested.

Unexpected Surrender

As a result of that harassment, on Thursday night, without any intervening negotiations between attorneys and officials from the Medellin Regional Prosecutor General's Office, Carlos Alzate Urquijo, alias "Arete," surrendered to the authorities. This individual, amid the constant changes in Escobar's most intimate circle, whereby some have been dropped and others have surrendered, had risen rapidly, until he became the organization's number three man. "Arete" has been identified by the authorities as the coordinator of the January attacks in Bogota, both the one on 72nd Street and the other at the School Fair downtown. Since that time, the Search Unit in Valle de Aburra had tightened the cordon to discover his whereabouts. However, the authorities were not seeking "Arete" alone, but also the Pepes and the Free Colombia organization. The latter is a second group that has emerged against Escobar, claiming to be in contact with the Pepes without approving of their violent methods. Each one of them offered 200 million pesos for Alzate Urquijo's head. Last Wednesday, Escobar's aide received a severe blow, when two of his closest collaborators, who had been keeping him in touch with Pablo Escobar, were killed under circumstances that the authorities have not yet been able to explain. Trapped and alone, convinced that he might be about to die, "Arete" appeared on the premises of the Regional Prosecutor General's Office and took advantage of the policy of surrender to justice.

While "Arete" was being subjected to questioning at the Itagui jail, more front page news occurred in Manizales. Guillermo de Jesus Diaz, identified by the authorities in the capital as the coordinator of the bombs that exploded in Bogota on Monday, surrendered to that city's prosecutor. "Bolis," or "Memo," as he is also called, claimed in his first statement to have had nothing to do with the car bombs. He said that, on that day and at that time, he was aboard a plane traveling on the Medellin-Bogota route. Be that as it may, his appearance was interpreted

as another example of the fear that appears to have taken possession of Escobar's organization.

By the week's end, there was every indication that the fright that had seized Bogota residents on Monday was now shared by Escobar's family and closest associates. The abortive episode of his children's departure for the United States had left the impression that the wars in Colombia were intensifying to the point where there would have to be an outcome within a short time. Now, it was no longer a war of Escobar against the country, but rather of half a country against Escobar. And the terror was equal on both sides. Everyone began sensing that this situation could not last much longer. The only concrete hope was given by Escobar's son himself who, when questioned by Caracol [Colombian Radio Network] at the airport, declared that his father was willing to surrender, but had not done so because he felt betrayed. As for the rest of the Colombians, they identified themselves with the sentiments of Gabriel Garcia Marquez when, at the tribute paid to Belisario Betancur at the Casa Silva, he remarked: "Colombia is a Promethean country which, for over a century, has been killing itself because of its yearning to live."

* De Greiff Explains Revised Surrender Policy

93WD0351A Santa Fe de Bogota EL ESPECTADOR
in Spanish 6 Feb 93 p 7A

[Text] Santa Fe de Bogota—New decrees issued yesterday, 5 February, by the national government granted further benefits for criminals who cooperate with authorities, and at the same time changed certain features in the policy regarding surrender to police authorities.

Prosecutor General Gustavo de Greiff Restrepo explained yesterday in a press conference that the benefits are so broad that they range from nonprosecution of certain criminals, to reduction of punishments for those already sentenced.

The senior official said that persons covered by the guarantees contained in the decrees must be involved in crimes known to the so-called anonymous judges, and that benefits can only be granted by the prosecutor general or a representative of his office, to avoid excessive authorization of these benefits.

"The benefits contemplated range from the guarantee that statements by the person implicated or on trial will not be used as evidence against him—which is a further development of the new standard of nonself-incrimination—to the granting of probation. In addition," he explained, "there will be sentence reduction, suspension of sentences, and full or partial pardon of sentences."

The decree provides for four stages in which a negotiation can be conducted. The prosecutor explained that "negotiation can occur in cases in which there is no investigation in progress against a person, although the possibility exists that there might be one; second, when

an investigation is completed; third, when the trial is in progress; and, fourth, when sentence has been handed down."

Throughout his explanation, De Greiff Restrepo emphasized that there is no intention of granting excessive benefits and that, while it may disappoint the public, it is better to have several criminals in custody for a period of time than none at all. "The benefits are aimed more at discovering the intellectual authors of crimes, than those people that they are using."

Therefore, the senior official said that "benefits must be weighed according to the importance of the collaboration provided. Society's guarantee regarding these benefits, that pardons will not be granted too freely, is that criteria will first be established for determination of these benefits by the prosecutor. As a second safeguard, sentence reductions will be reviewed by the attorney general's office."

No Little Chickens

One of the measures issued yesterday offers the possibility of granting pardons for unpunished prior offenses. Justice Minister Andres Gonzalez Diaz played a key role in drafting this provision.

"A full pardon must be granted only rarely, because it is the least pleasing to the system of justice and to society in general, but it can be useful in bringing other persons to justice. This benefit will be authorized only in exceptional cases, and when the information obtained is very useful. It cannot be considered a license for impunity, but just the opposite," the prosecutor general said.

With regard to possible ethical impediments to bargaining with criminals, the prosecutor general said that, "it might seem repugnant to society that a criminal be pardoned, but one must be realistic. If it becomes necessary to pardon one criminal in order to be able to punish five, it is more advantageous for society that five be punished than that six go unpunished."

Asked about the possibility that a criminal from Pablo Escobar's organization might turn him in under the new guarantees included in the decrees, De Greiff replied that "this is something that we cannot know, but we hope that there will be cooperation with justice, and that it will be possible to get at the heads of criminal organizations."

The senior official was emphatic in saying that, although the Pablo Escobar case was one of those that the decrees' authors had in mind, "these measures bear no particular name."

He added, "let us remember that Escobar Gaviria is sub judice, that he has not been convicted, and that we are investigating him."

Due to the fact that the state of civil commotion was extended for 90 days, and the decrees are in effect only as long as the situation lasts, the prosecutor said he believes that the decrees will be sent to Congress to become laws.

In De Greiff's opinion, "The new measures did not come about because the Code of Criminal Procedure was badly written. Social situations change so rapidly that, while I agree that the law must be constant, the needs of society change so rapidly that legislators must adapt themselves to these changing needs."

[Box, p 7A]

Benefits for Those Who Collaborate With Justice

The following benefits were published in the decree that set forth new provisions for those who collaborate in criminal investigations under the jurisdiction of regional judges:

The guarantee that statements by the accused or by the defendant will not be used directly or indirectly as evidence against him.

The benefit of parole or release on bail, to be authorized in accordance with the procedure set forth in the Code of Criminal Procedure, with regard to obligations to be placed on the beneficiary.

House arrest for crimes whose minimum sentence does not exceed eight years of imprisonment.

Exclusion or extension of specific grounds of aggravating or extenuating circumstances, respectively, as long as there is any doubt as to the evidence that proves the existence of these grounds.

Said exclusions and the concession of grounds of extenuating circumstances will be authorized for the purpose of formulating the accusation, to pronounce sentence, or to determine the legal basis for the amount of bail to be required.

Cancellation of the arrest order, halting the investigation or cessation of the trial.

Diminishment of the punishment in accordance with the collaboration provided, in a proportion to be determined by the prosecutor having jurisdiction. The benefit will be deducted from the punishment imposed in the sentencing.

Authorization of parole or probation, to be determined by the prosecutor having jurisdiction, according to the value of the collaboration.

Increase in sentence reduction for studies, work, or teaching, according to collaboration provided.

Suspension of sentence.

Partial or full waiver of completion of the sentence.

Waiver of payment of fine.

Nonimposition of one or several accessory sentences.

Suppression of criminal records.

Inclusion in protection program for witnesses and victims.

The foregoing benefits can be granted concurrently, depending on the recommendation of the prosecutor's office, as long as they are not self-exclusive in nature.

*** 'Apertura' Results Evaluated After 3 Years ***
Poll: Benefits to Industry

93SM0171A Santa Fe de Bogota EL ESPECTADOR in Spanish 21 Feb 93 p 1B

[Article by Fedesarrollo director Eduardo Lora]

[Text] The presumption of industrial inefficiency that initially justified "apertura" [economic liberalization program] proved to be groundless. Most of the "apertura" measures have benefited industrialists, and there is confidence regarding the good chances of contending with the competition from imported products, and of new markets opening in Mexico, the United States, and Chile. These are some of the most notable results of a Fedesarrollo [Federation for Development] poll, the detailed findings of which will be published next week.

Positive Measures

According to the industrialists, the most beneficial measures were, in order, the tariff reductions for input (favorable in the view of 89 percent), the lower tariffs for imported machinery (88 percent), the customs reform (85 percent), and the elimination of the preliminary permit system for imports (83 percent).

The fact that only 3 percent of the industrialists considered the elimination of the preliminary permit system unfavorable proves that it was not an infinite protective device covering the inefficiency of Colombian producers, as was often claimed. Even the tariff reductions for goods similar to those produced by the business firms were regarded as a negative measure by only 29 percent of the companies, and as very negative by only 10 percent. According to the rest, they were of no concern, or even beneficial!

The only measure adopted during "apertura" that was frankly viewed as unfavorable by industrialists was the reduction in the CERT [Tax Reimbursement Certificate] (63 percent).

Strategies for Competition

Industrialists have concentrated on improving their plant efficiency to respond to the growing international competition. The main strategies have been the adoption of better quality control systems, the replacement of equipment, and the adoption of new production technologies. Each of these strategies has been implemented by at least a third of industrialists. Also important are personnel training and increased specialization in company production lines.

The assumption of excessive protection and inefficiency had prompted the notion that "apertura" would induce a great many companies to use more imported components, and even to move from production to assembly, or mere marketing of foreign goods. In fact, these are strategies for competition considered important by no more than 16 percent of the firms.

Strategies for business internationalization have been regarded as even less important as a means of achieving competitiveness. In fact, very few firms have sought to become associated with foreign companies or to acquire patents. In these areas, there is still a very long road ahead.

Confidence in Competing

In view of the foregoing responses, it is not surprising that industrialists feel very sure of their capacity to compete with imported products. Only 13 percent consider themselves at high risk of losing a domestic market, and only 2 percent admit that it could disappear.

The same confidence shows up in connection with exports. Over two thirds trust that their foreign sales will increase at least 20 percent during the next two years, and only 5 percent of the industrialists expect to be forced to reduce them.

Obstacles to Competing

The high costs of national raw materials are the main obstacle to competing with imports, and to exporting. They are followed in importance by high financial costs and public service rates; and, in the case of exports, by unstable exchange, inadequate international marketing networks, and the inability to secure market positions in a timely manner.

It is interesting to note that factors related to production processes or internal management of companies do not appear as major obstacles. Industrialists are already aware that competing does not mean merely producing efficiently, although they have concentrated their efforts in this area for the present. Competing also means marketing and distributing; so, perhaps they will direct their energy toward those areas in the future.

Optimism Regarding Agreements

The deregulation of trade with Venezuela proved highly favorable for industry. Only 10 percent of business firms, concentrated among the largest, were negatively affected; 41 percent deemed it beneficial; and 32 percent found it highly beneficial. (The rest were indifferent toward it.) Something similar occurred in the case of Ecuador: it harmed only 5 percent, and benefited 70 percent.

Colombian industrialists have no fear of the Mexicans, much less the "gringos." (They are unconcerned about the Chileans.) In fact, only 23 percent believe that a trade agreement with Mexico could harm them. The fear declines to 11 percent in the case of the United States,

and to 2 percent in that of Chile. Hence, in all instances the majority prefer that tariff reductions be put into effect within a short time, no more than two years. Periods exceeding eight years seem attractive to only 14 percent of industrialists, and a mere 7 percent think that it would be better not to conclude trade agreements with Mexico and the United States.

The Future

Up until now, industrialists have focused on improving their plant production efficiency. Only a few have begun adopting strategies in other areas, although many now realize that they will have to do so very soon. So, the question arises as to whether there may be too much

optimism. Nevertheless, there is also the question as to how many business opportunities are yet to be discovered. For example, it is surprising that 57 percent of industrialists are indifferent toward the preferential tariffs granted by the United States, and that 75 percent have that attitude toward those granted by the European Economic Community.

"Apertura" has just begun. Industry passed the first test with flying colors, leaving the initial suppositions concerning inefficiency and incapacity without grounds. Nevertheless, the real challenges and opportunities remain to be seen. We would do better not to be off guard.

Three Years After 'Apertura'

Factor	1986	1987	1988	1989	1990	1991	1992
Devaluation	27.18	20.41	26.27	28.93	31.23	11.89(1)	16.33(1)
Inflation	20.95	24.02	28.12	26.12	32.37	28.82	25.13
GDP	5.8	5.4	4.1	3.4	4.1	2.3	3.6(2)
Industrial GDP	7.7	6.2	1.9	5.6	4.3	-0.5	5.1(2)
Agricultural/livestock GDP	2.1	6.4	2.8	4.4	6.7	4.9	1.1(2)
Unemployment(3)	12.2	10.2	10.4	9.4	10.6	9.4	9.9
Private investment	18.1	-7.6	19.6	3.5	3.1	-7	14.0(2)
Small exports	17.7	16.2	16.7	10.9	24.8	35.6	-0.8(4)
Total imports	-7.2	10.6	19.0	9.6	12.9	-8.1	20.8(4)
International reserves	3478	3450	3810	3867	4501	6420	7778(5)
Interest payable rate	31.94	32.79	32.09	34.91	38.43	37.00	2667

(1) Relates to the annual devaluation of the exchange rate representative of the market.

(2) Macroeconomic program estimate, National Planning Department.

(3) Unemployment rate, Unemployment/EAP (Economically Active Population)

(4) Figures up to September.

(5) Balance of net international reserves in millions of dollars up to December.

Publisher: Fedesarrollo-EL ESPECTADOR

* Shortcomings Noted

93SM0171B Santa Fe de Bogota EL ESPECTADOR in Spanish 21 Feb 93 p 2B

[Article by Jorge Child]

[Text] The policies currently comprising what is termed *apertura* [economic liberalization program] used to have a different name: *adjustment*. This was the precise term used by the IMF to recommend the measures for deregulation of imports and exchange, on the capital market, and control of the fiscal deficit through drastic cuts in public spending. These general instructions from the IMF gradually materialized in specific policies known as *structural reforms*. These *structural reforms* did not involve, as during the 1960's, changes in the system for agrarian property or stock shares to be distributed and made accessible to a larger number of property holders.

At that time, there was talk of *democratizing property*. Today's structural reforms are not concerned with the problem of democratizing property, but rather with deregulation of the commodities and capital market. The path to democratization of economic power will no longer be distribution of property, nor nationalization or state control of basic or strategic industries and services. Rather, it will be the *participation* of individuals and communities in the administration of public services and business firms, through greater opportunities for educational advancement, and in the use of democratic liberties and institutions.

The diagnosis of the 1990-94 Social and Economic Plan begins by defining the obstacles to economic growth, identifying them in the *barring* of foreign trade, the slow progress of *global productivity* among all factors, and the weakness of *capital accumulation*, in both physical and human assets. It also sees them in the *institutional factors*

blocking the peaceful development of democracy and precipitating violent action in search of participation in, and access to power. To surmount these institutional limitations on the "blocked society," the proposal was put forth for a constitutional reform that would pave the way for an intensification of participatory democracy in Colombia, as was written, partially, in the Constitution of 1991. If there were success in overcoming these obstacles to economic growth, the economy's progress would be uncontrollable, and the *peaceful revolution* would be the most important institutional event in Colombia's history.

There is a great distance between words and deeds, and the goals of this new policy do not appear to have been attained. The reduction in tariffs and deregulation of imports, collaterally stimulated by an overvaluation of the peso with respect to the dollar, failed to induce major technological modernization in the national industry or in the agricultural-livestock sector. They also failed to prompt a more decided orientation of the production factors toward exporting. Our exports became stagnant for various reasons. Some were based on an external situation: the worldwide recession and the decline in prices of our leading export products (coffee, bananas, cotton, oil, coal, and ferronickel), and the closing of foreign markets for some of them (textiles in the United States and bananas in the European Community). Another cause, of internal origin, was the revaluation of the peso, which reduced the real income of exporters and became a disincentive for this sector's expansion.

The Development Plan deplored the fact that, after having had a small, open economy at the turn of the century, which, during the 1920's, managed to accrue 25 percent of its GDP through exports, in the 1970's and 1980's our exports amounted to only 15 percent of the GDP. After three years of "apertura," exports remain below the level that alarmed the Planning Department.

The meager structural mobility among the production factors in agriculture has prevented foreign competition from becoming, overnight, a stimulus for modernization and the search for new profitable markets abroad. Many imports of agricultural products have ruined both small and large-scale farmers; hence, the sector's growth rate was negative in 1992. In industry, where the mobility of factors responds to competition with better flexibility, we have observed a greater tendency among industrialists to become importing dealers of products competing with their industry than to modernize their own firms to compete against such products. The short-term, speculative calculation that dominated the Colombian economy during the *financial explosion* of the 1980's has turned into an apathetic tendency among nearly all Colombian business owners. They are very far removed from the model of the innovative entrepreneur spurred on by competition from the market, to which the economist, Joseph Schumpeter, assigned the role of a driving force for technical progress and capitalist economic growth.

Nor does "apertura" appear to have benefited the channeling of innovative foreign investment. The flow of capital reaching Latin America during the past two years took possession of the existing national industries: primarily those state enterprises that the governments began auctioning off on the capital market. The international logistical map of capital is based more on criteria of immediate, compensatory profitability than on national perspectives. The immigration of international capital today lacks the residential connotation of an *enclave* that it had in other times. *High-tech* and the development of capital markets have allowed it to operate as part of an international globalization, with a high degree of rapid substitution of factors. National "aperturas" are evaluated by multinational capital within cyclical rather than structural parameters, as would be expected by governments devising national policies to attract foreign capital.

On the other hand, at a time of crisis in the growth of employment in all the industrialized countries, the tendency of international capital is to seek domestic investments that will help to readjust the unemployment caused by *high-tech* innovations in the areas of services complementing these new technologies, and in labor and cultural training to assimilate the new techniques. A national "apertura," or a subregional one (Andean Pact, Group of Three, Colombian-Venezuelan and Ecuadorean Free Trade, etc.), of itself, does not become integrated into this technological globalization. Rather, it is integrated into regional markets, which are often confined to legalization of the preexisting contraband.

"Apertura" will prove nothing but a semantic deception so long as we fail to discover the path of integration into the advancing technological globalization. In Colombia, it has had a *nationalist oligopolic* nature that is incompatible with this tendency. Therefore, it has only served to reinforce the domestic oligopolies through the device of *privatization* which, here and there, has not lent itself to opening up opportunities on a competitive market. Rather, it has become wedded to the vested interests of the four dominant groups.

Consequently, it appears obvious that President Gaviria's government has only become committed to a *nationalist oligopolic* "apertura," without a future.

Shootout Outside U.S. Embassy Leaves One Dead

PA0903035793 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0000 GMT 9 Mar 93

[Text] A shootout occurred on 8 March outside the U.S. Embassy in Santa Fe de Bogota causing alarm in the area. The incident occurred when a former policeman, Jose Ovelio Lopez, accompanied by his brother, drove his Renault into the area where the U.S. Embassy is located. Once outside the embassy, Lopez parked the car and got out to conduct business. He left his brother in the car. According to Lopez, his brother was verbally abused and held at gunpoint by a policeman.

[Begin Lopez recording] I then became annoyed. I refused to give him the papers because I was being treated in that manner. I drove off and it was then that we were shot at. [end recording]

His brother, Saul Hernando Lopez, was seriously wounded in the back and taken to a hospital where he died.

* Rise in Exports, Foreign Investment Expected

93SM0166A Santa Fe de Bogota EL TIEMPO in Spanish 9 Feb 93 p 8A

[[Article: "Foreign Trade Prospects Improve"; first paragraph is introduction]

[Text] [Minister of Finance Rudolf] Hommes has gone abroad to resume negotiations for the supercredits that will be needed in coming years. Exports will grow between 8 and 10 percent during 1993, amassing reserves of \$700 million.

Amidst the difficulties caused by worldwide protectionism and the decline in prices of basic commodities, the government expects this year to be better for Colombia's exports.

As a minimum, exports of Colombian products should grow between 8 and 10 percent in dollar value.

Foreign investment should also be up, even though 1992 was not a bad year. Economic and exchange officials estimate that foreign investment will reach \$750 or \$800 million.

Overall, private investment will easily grow 20 percent in 1993, taking into account the start of industrial projects which will stimulate construction.

Given these circumstances, the board of directors of the Bank of the Republic, the top monetary, exchange, and credit policymaking body, has adjusted its goals and noted the possibility of keeping inflation under 22 percent in 1993.

In a special meeting held immediately before the finance minister's trip abroad to resume negotiations with the international financial community, the bank's board asked the central government to adjust its spending to keep the fiscal deficit from exceeding 1.0 percent of the GDP [gross domestic product].

Consequently, the shortfall in public finances that now stands at 1.4 percent will have to be reduced. In absolute numbers, the 0.4 percent adjustment is equivalent to about 200 billion pesos.

According to the finance minister, the cuts that will be made if there is fiscal pressure will be in infrastructure investments, and will in no way affect social spending: education, health, and water and sewage projects.

The board discussed a number of ideas, based on macroeconomic studies prepared by the National Department of Planning, Confis [National Fiscal Policy Council], and the technical staff of the Bank of the Republic.

The expected growth in exports is based on the current dynamic sales of nontraditional products. Last year Colombia's foreign sales declined in dollars, but increased in volume.

Government studies indicate that the volume will at least hold steady during 1993, but prices will improve, due to a slight economic upturn among Colombia's major trade partners.

The trade balance will be positive even though projections of import growth are higher than are those from earnings from sales abroad.

The government's macroeconomic studies indicate that imports will rise by 25 percent in 1993.

The foreign investment (\$750 or \$800 million) estimate is based on capital investments in the Cusiana petroleum project.

According to the finance minister, overall private investment will increase 20 percent. "If, with all the problems we had, last year it grew by 15 percent, I do not think it will be hard to add five points this year."

Contrary to private sector analysts, the government believes that a rise in the unemployment rate, which was 9.7 percent at the end of the year, can be avoided.

According to Hommes, increased private investment and the slight growth in imports will avert pressures on unemployment rates.

Economic Liberalization a Success

The finance minister, in a recent interview with EL TIEMPO during which he discussed the government's economic projections, spoke about the extent of the economic liberalization program during his two years as finance minister.

"The record is good, because for the first time it is broadly accepted and businessmen now take it for granted. That strengthens the system," he noted.

Hommes said that even though the liberalization process was difficult, particularly because of the price situation and the recession in 1992, the volume of sales grew.

"If we look at the numbers, what we have done in our foreign trade is a miracle, for we have had two years of international recession with really bad prices for basic commodities."

Hommes said that if growth in nontraditional exports can be held at 35 percent, with an overall growth of 8 to 10 percent, "that will be a worldwide success story."

Credit Negotiations

Yesterday Finance Minister Rudolf Hommes and the director of Public Credit, Jorge Castellanos Rueda, left for the United States to begin the trade negotiations round with foreign banks to obtain loans that will be used to repay debts falling due in 1995 and 1996.

Colombia, which has no problems with foreign sources for financing payments and investment in the short- and mid-term, needs about \$2.7 billion a year to pay off the debt that will become due after the first half of this decade.

So Colombia will return to the use of supercredits, which the present administration had suspended as part of its debt reduction strategy.

Minister Hommes will also take part in a meeting of financial experts in New York, where he will give a speech entitled "Uniting the Markets of the Americas." This session is being sponsored by the Latin American Information Services.

Ecuador

Military Launch Operation Against Organized Crime

PA0903020293 Quito Voz de los Andes in Spanish 2300 GMT 8 Mar 93

[Text] On the weekend of 6 March more than 1,000 soldiers carried out an operation against organized crime in Guayaquil, resulting in three dead and 50 arrested. Army Commander General Edmundo Luna said the military action was justifiable because it was necessary to prevent the subversion and violence that affect the neighboring countries of Colombia and Peru from extending to Ecuador.

The military action was carried out on 6 and 7 March on the outskirts of Guayaquil, 416 km south of Quito. The troops are now back in their barracks interrogating the prisoners, who initially numbered 500, but who now number between 50 and 60.

Armed Forces Dismantle Narcoterrorist Band

PA0803140693 Quito Voz de los Andes in Spanish 1200 GMT 8 Mar 93

[Text] The Ecuadoran Armed Forces staged a military action against an international narcoterrorist band that has been operating throughout the country. The band of criminals provided economic and material assistance to Red Sun, an Ecuadoran terrorist group and follower of the Shining Path, its Peruvian counterpart.

Red Sun is responsible for the terrorist bombs that exploded in the Finance and Foreign Relations Ministries, among other violent actions that have taken place in Quito.

The military operation that dismantled the band of criminals and terrorists took place in the early morning hours of 6 March. The exact number of arrests are not known at this time.

The Armed Forces planned the military action for three months, and intelligence personnel infiltrated the organization eight months ago. It was officially announced that three criminals were killed.

Paraguay

Wasmosy, Seifart Register as Official Colorado Candidates

PY0603184693 Asuncion HOY in Spanish 6 Mar 93 p 4

[Excerpt] Colorado Party representatives yesterday presented before the Central Electoral Board all the pertinent documents of the candidates who won the internal party elections, registering them as their candidates for the upcoming May elections. After two months of conflict inside the party due to a lack of agreement between the two factions that disputed the results of the internal party elections, bringing an atmosphere of uncertainty in face of the possibility that the officialist faction candidates would run for the most important electoral posts, the Colorado Party registered its candidate at the Central Electoral Board. Juan Carlos Wasmosy and Angel Roberto Seifart are the presidential and vice presidential candidates, respectively, for the Colorado Party. [passage omitted]

Argana Disavows Attorneys

PY0603222393 Asuncion HOY in Spanish 6 Mar 93 p 3

[Excerpts] Luis Maria Argana has publicly disavowed attorneys Jaime Bestard and Mario Milciades Melgarejo, legal representatives of his political movement, who requested that the Supreme Court declare unconstitutional the Colorado Party Electoral Board decision proclaiming the Wasmosy-Seifart ticket the winner of the 27 December Colorado Party primaries. [passage omitted]

The petition filed by the two attorneys contradicts Argana's pledge that "to show largesse and self-denial" he would not request any urgent precautionary measures or injunctions to prevent the registration of the Wasmosy-Seifart ticket. Argana added: "I hereby disavow these attorneys, and on 8 March a brief will be submitted in court to withdraw this unauthorized petition."

Argana said: "These attorneys acted without my authorization, against my commitment, and have thus placed me in an uncomfortable position in the eyes of the public." He added: "Thus, it is my duty to disavow them, and to accentuate my point, I will contact all radio stations and newspaper offices." He made it clear that steps are already being taken to withdraw the petition. He reaffirmed that by filing the petition the two attorneys acted on their own, and ignored "the clear commitment I made in my statement." [passage omitted]

Candidate Fears 'Dangerous Precedent' in Crisis Resolution*PY0603225293 Asuncion HOY in Spanish 6 Mar 93 p 2*

[Excerpt] Commenting on the Wasmosy-Seifart ticket victory, Guillermo Caballero Vargas [National Encounter presidential hopeful] yesterday said: "I hope the victory attributed to the Wasmosy-Seifart ticket was legitimate, because if the Colorado Party bylaws, the Electoral Code, and the other laws in force have been violated, it will represent a dangerous precedent that could be repeated on 9 May, when an absolutely legitimate government must be elected in order to consolidate democracy."

Caballero said that the outcome of the 27 December Colorado primaries was not the only cause for concern, as the tone of the Colorado campaign "has created uneasiness among the people, and has cast doubt on a successful conclusion to the process of democratization. We have deep respect for this great party, and have been watching with grave concern its internal problems, as it is still unclear how these will ultimately be resolved. We have always desired that the Colorado conflict be resolved in strict compliance with all applicable laws, as this conflict could transcend the Colorado framework and have an impact on the entire national process, which would thus be placed in serious jeopardy." [passage omitted]

Rodriguez Rules Out Protest Vote by Argana Followers*PY0603184993 Asuncion HOY in Spanish 6 Mar 93 p 2*

[Text] Obligado, Itapua—President Andres Rodriguez yesterday rejected the possible implementation of a "protest vote" by the Colorado Party faction members who lost in the internal elections. He also urged the Colorado citizens to prepare themselves and vote in unison in the 9 May general elections.

The chief of state, who is also honorary president of the Colorado Party, said that he had been waiting for the decision of the party electoral board "for a long time. The results should have been known since the beginning, but many difficulties—which we must not analyze now, because for sure we will not find the reason—were created by this delay in proclaiming a candidate," the president said in response to a question after he dedicated a housing complex in "Colonias Unidas."

"Any decision by the party electoral board would have benefited the party, which, you know, is the majority party in Paraguay. This disagreement among the party leadership has made the party lose some drive. I think that now more than ever the Colorados will make an effort as much as possible to live in harmony and to consolidate their unity to be able to struggle for the next 9 May national elections."

Rodriguez ruled out a possible "protest vote" by the Colorado Party Argana faction members. He said: "I

sincerely would not like this to happen. I do not think a protest vote is the best solution to adopt or to recommend. I do not believe in this. The Colorado members always have their conscience, party, and ideology. I do not think they want to punish their party."

National Encounter Alliance Registers for 9 May Elections*PY0603223193 Asuncion HOY in Spanish 6 Mar 93 p 7*

[Excerpt] The National Encounter Alliance movement [el Movimiento Alianza Encuentro Nacional] yesterday officially registered at the Central Electoral Board. In doing so the movement has complied with one of the requirements of the Electoral Law. The National Encounter Alliance is the first political movement to register for the 9 May general elections. [passage omitted]

Uruguay**PRC's Qian Qichen Begins Official Two-Day Visit***PY0803150593 Montevideo Radio El Espectador Network in Spanish 0930 GMT 8 Mar 93*

[Text] Shortly before meeting with PRC Foreign Minister Qian Qichen, Uruguayan Foreign Minister Dr. Sergio Abreu stressed that Uruguay and the PRC have had fluid relations since 1968 and that this relationship will be further enhanced in the future. The PRC foreign minister began his protocol activities by laying a wreath at the General Artigas monument in Independence Square. PRC Foreign Minister Qian Qichen arrived in our country yesterday afternoon on an official two-day visit.

Later, the visitor will meet with President Luis Alberto Lacalle and Gonzalo Aguirre, vice president of the Republic and Congress president.

Qian Qichen will also meet with Chamber of Deputies President Alem Garcia. This afternoon he will meet with members of the Senate and Chamber of Deputies International Affairs Committees. Later, Qian Qichen will meet with Dr. Sergio Abreu, and working meetings will begin between Uruguayan and PRC diplomats.

Qian Qichen Meets President Lacalle*PY0903013193 Montevideo Radio El Espectador Network in Spanish 0000 GMT 9 Mar 93*

[Text] The PRC foreign minister who is visiting our country will visit Punta del Este tomorrow. Qian Qichen was received this morning by President Luis Alberto Lacalle in his office in the Libertad building and then by Vice President Gonzalo Aguirre in Congress.

In the afternoon, Qian Qichen attended a joint meeting of the international affairs committees of the two houses. He was received afterward by Foreign Minister Sergio Abreu in Samson Palace while the two countries' delegations held a working meeting.

A protocol establishing a political consultation mechanism between the two countries' foreign ministries will be signed tonight in Taranco Palace.